Daily Report

East Europe

FBIS-EEU-92-025
Thursday
6 February 1992

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FBIS-EEU-92-025 *6 February 1992*

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International—Despite an SFRY Presidency memorandum expressing hope for the arrival of UN peacekeeping forces, UN Secretary General Butrus Ghali declined to send peacekeeping troops to the republics. TANJUG reports that Ghali "laid blame primarily on the Republic of Croatia."

Interrepublic—Serbia and Montenegro agreed to form a common state to "ensure the continuity of Yugoslavia." TANJUG reports that Slobodon Milosevic, Momir Bulatovic, Branko Kostic, and Borisav Jovic agreed to "a common defense and foreign policy, common monetary, banking, [and] foreign currency." Meetings on developing a constitution will be discussed in Titograd next week.

Bosnia-Hercegovina—Belgrade radio reports that problems in Mostar continue as barricades to block the Yugoslav People's Army (JNA) along the road toward Citluk and Siroki Brijeg remain. In addition, Rodoc and Jasenice citizens have blocked the Macadam road leading to Hum Hill, where members of the JNA are stationed. Barricades have also been set up in Salakovac as a Serbian "response to the blockade by Croatian nationalists."

Slovenia—Foreign Minister Dimitrij Rupel and Czechoslovak counterpart Jiri Dienstbier signed a document establishing diplomatic relations between Slovenia and Czechoslovakia in Ljubljana today. Prague TV reports that four main topics were discussed: bilateral relations between Slovenia and the CSFR, Slovenia's relations with the CSCE, the Hexagonale, and the former Yugoslavia.

Poland

During the Ministry of National Defense Military Council meeting Defense Jan Parys proposed, according to PAP, that members of the military who "do not identify" with the new "pro-Atlantic option should leave the Armed Forces voluntarily." Parys said that his proposal also includes those who "were involved in inconvenient connections" and collaborated with the "communist special services."

Czechoslovakia

CSTK reports that the Foreign Ministry presented a demarche to the Greek ambassador to Czechoslovakia Epaminondas Peyos "demanding" that Greece adopt "immediate" measures to end the border blockade imposed to protest increased transit charges. The ministry expresses "anxiety" over the Greek Government's "discriminatory attitude" toward Czechoslovak transporters. Foreign Ministry spokesman Egon Lansky said that Czechoslovakia "is ready to discuss the matter" with Greek officials and make "far-reaching compromises," but "rejects any ultimatums from Greece or the European Community."

Protocol on Relations With Moldova Signed

AU0502201792 Sofia BTA in English
1925 GMT 5 Feb 92

[Text] Sofia, February 5 (BTA)—Bulgarian Foreign Minister Stoyan Ganev and his Moldavian counterpart Nicolae Tiu signed a protocol on the establishment of diplomatic relations between the two countries.

The Moldavian foreign minister is on a one-day official visit to Sofia.

The document is a practical legal step towards the promotion of Bulgarian-Moldavian relations, Mr. Ganev told journalists after the signing ceremony. He stressed that the disintegration of the former Soviet Union and the democratization of the two countries have opened prospects for relations of a new type: between equal independent states.

Mr. Ganev pointed out that his Moldavian counterpart and he had reached an agreement to draw up a treaty on friendship and cooperation, a consular convention, a trade and economic agreement and a protocol on trade in 1992 and 1993.

The protocol signed today and the documents which will be prepared will create opportunities to promote deeper understanding between the two countries, Mr. Tiu said.

Bulgaria is the third country after Spain and Turkey with which Moldavia has signed such a protocol. The Moldavian guest thanked the Bulgarian Government which was among the first to recognize the independence of the Republic of Moldavia.

Ms. Veneta Momcheva, spokeswoman for the Ministry of Foreign Affairs, said that the foreign ministers discussed the right of the 80,000 Bulgarians in Moldavia to preserve their identity. Mr. Tiu assured Mr. Ganev that they will have the opportunity to study Bulgarian or get training in Bulgaria.

Mr. Ganev told the Moldavian guest about his idea for a Balkan conference on peace and security attended by countries of the neighbouring regions as well, which he elaborated during his talks in Switzerland. The meeting will seek international legal guarantees that none of the participants will have territorial claims on its neighbours.

The guest pointed out that the traditional cultural relations between the two countries are maintained by the Bulgarians resident in Moldavia. Moldavian television broadcasts a special programme in Bulgarian for them.

Ludzhev, Russian Envoy Discuss Defense Treaty

AU0502204192 Sofia BTA in English
1950 GMT 5 Feb 92

[Text] Sofia, February 5 (BTA)—Minister of Defence Dimitur Ludzhev and Russian Ambassador in Sofia Viktor Sharapov today discussed the drafting of an agreement on security and defence consistent with the new realities.

The two countries will cooperate in conversion, personnel policy and the manufacturing of special-purpose products.

Bulgaria will also develop military cooperation with Ukraine and other republics in the region, the Press Centre of the Defence Ministry announced.

Mr. Ludzhev met with Danish Ambassador Klaus Kappel. The ambassador invited two Defence Ministry officials to visit Denmark in the spring to get acquainted with military training programmes, BTA learned from the ministry's Press Centre.

The Danish ambassador expressed his country's willingness to help Bulgaria prepare forces for participation in UN peace-keeping missions. Denmark will organize a seminar on security problems, which will be attended by Bulgarian experts.

Dimitrov Meets German Economic Delegation

AU0502203992 Sofia BTA in English
1942 GMT 5 Feb 92

[Text] Sofia, February 5 (BTA)—Mr. Filip Dimitrov, Bulgaria's prime minister, received a delegation led by Mr. Klaus Bekman, state parliamentary secretary at the Ministry of Economics of Germany. Mr. Bekman is also a co-chairman of the Bulgarian-German commission on economic, industrial and technical cooperation.

The delegates showed interest in Bulgarian legislation and the possibilities for economic cooperation. They expressed their desire to help the economic reform and promote bilateral cooperation.

"We are well aware of the fact that unless we took certain legislative measures we would hardly be considered serious partners," Mr. Dimitrov said. "We will be confronted with enormous difficulties related to the application of the Land Act and the Privatization Act, as well as the operation of the respective institutions."

Mr. Bekman stressed that Germany, which has already gained considerable experience during the privatization process in the former East Germany, would like to provide expert and technical help to Bulgaria.

Parliament Passes Acts on Property Restitution

AU0502192092 Sofia BTA in English
1836 GMT 5 Feb 92

[Text] Sofia, February 5 (BTA)—Parliament passed two more acts on restitution. The first act passed earlier applies to shops, ateliers and stores.

An act was passed today which covers property expropriated under acts of parliament between 1948 and 1990. The buildings and estates were often not used for

the purpose for which they were expropriated or were not used at all. In many cases property expropriated for "public use" was granted to the former Security and Protection Department, which worked for the top leaders under the communist regime.

An act on large restitution was also passed today. It restores property nationalized in the period 1947-1952 to its owners. The act repeals the expropriation of property under the Acts on Large-Size Urban House Property, on the State Monopoly on Alcoholic Drinks and Trade in Brandy and Wine, on the Nationalization of Private Industrial and Mining Enterprises, on the Cinema Industry, Printing and Food-Storage Facilities.

Tenants occupying flats which are subject to restitution can stay there for three years more provided they pay rent to the real owners.

Zhelev, Podkrepa Leader Discuss 'Conflict'

AU0502203792 Sofia BTA in English
1952 GMT 5 Feb 92

[Excerpts] Sofia, February 5 (BTA)—"The conflict between the government and the Podkrepa Labour Confederation is in fact a conflict over the economic reform between their economic experts," Mr. Aleksandur Yordanov, floor leader of the Union of Democratic Forces (SDS), told a press conference today. According to SDS MP's, this conflict will gradually be resolved. The demands for ministerial resignations will increase the efficiency of both the cabinet and the MP's. SDS MP's, cabinet members, President Zhelyu Zhelev and Podkrepa President Konstantin Trenchev held a six-hour talk yesterday after which it was announced that there would be structural changes in some ministries.

According to Mr. Petko Simeonov, leader of the extra-parliamentary Liberals' Party, Podkrepa has exceeded its rights urging for ministerial resignations. Mr. Simeonov told a press conference that his party agrees with the SDS government that the trade unions should not intervene in the work of the executive. The demands for resignations are Dr. Trenchev's latest attempt to take control of the SDS, according to Mr. Simeonov.

"The Confederation of Independent Trade Unions (KNSB) is against the decision of the government to set up workers' councils at enterprises," Ms. Diana Damyanova, KNSB spokeswoman, told a press conference today. The idea for the creation of workers' councils is included in the amendment to the Labour Code proposed by Minister of Justice Svetoslav Luchnikov. The cabinet should express its view on social cooperation. If the trade unions are not satisfied with it they may take industrial action, she said. According to her, the KNSB would like to discuss two main problems with the government: the problem of the minimum working wage and of unemployment. [passage omitted]

The newly-appointed 25-member Supreme Judicial Council headed by Minister of Justice Svetoslav Luchnikov held its first session today. 12 of its members served on the former council as well, the spokesman for the council explained. [passage omitted]

Prime Minister Filip Dimitrov received Mr. Kim Pyong-il, North Korea's ambassador to Bulgaria, the Press Centre of the government announced. The ambassador expressed his satisfaction at the progress of Bulgarian-Korean relations. He said that his country is following closely the democratic process in Bulgaria. According to him, the unification of North and South Korea will probably take place by 1995. The ambassador stressed that this act should be carried out by the Koreans without external intervention. However, they will need international help and cooperation to find the best solution to this problem, according to Mr. Kim Pyong-il.

Labor Leaders Disagree With Government Plan

AU0502213392 Sofia BTA in English
2122 GMT 5 Feb 92

[Text] Sofia, February 5 (BTA)—The leaders of the two big trade unions—the Confederation of Independent Trade Unions (KNSB) and the Podkrepa Labour Confederation—disagree with the plan for social cooperation proposed by the government.

According to KNSB leader Krustyu Petkov, the plan is only partially acceptable. Following a meeting with Prime Minister Filip Dimitrov, Mr. Krustyu Petkov said that he supports the idea to give priority to cooperation at branch level but is against the creation of workers' councils.

The KNSB will refrain from industrial action until the expiration of the government's 100 days in office. According to him, individual ministers have improved their performance.

Dr. Konstantin Trenchev, president of the Podkrepa Labour Confederation, who took part in the [meeting] between MP's of the Union of Democratic Forces (SDS), the government and the president last night, said that the form of social dialogue is inappropriate. He described it as "a set of mechanisms borrowed from the West which are inconsistent with Bulgarian realities." Dr. Trenchev repeated that Podkrepa has not dropped its demand for the resignations of Finance Minister Ivan Kostov and Minister of Industry and Trade Ivan Pushkarov. The trade union will probably impose a ten-day moratorium on strikes in the run-up to its congress.

Prime Minister's Adviser Mishev Resigns

AU0502184392 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 5 Feb 92

[Text] Mr. Konstantin Mishev, the prime minister's adviser, has resigned at his own request. BTA learned this information from the Council of Ministers Press Center.

Greece Asked To Open Border Traffic, Compromise

AU0502125992 Prague CSTK in English 1457 GMT 3 Feb 92

[Text] Prague Feb 3 (CSTK)—Czechoslovak Deputy Foreign Minister Zdenko Pirek today urged the Greek ambassador to Czechoslovakia to ask his government to let Czechoslovak trucks, blocked by Greek forwarding companies, out of the country, Foreign Ministry Spokesman Egon Lansky told CSTK today. Pirek expressed to ambassador Epaminondas Peyos Czechoslovakia's grave concern that Greek forwarding companies have prevented only Czechoslovak and Hungarian trucks from leaving Greece, Lansky said.

Greek forwarding companies have been barring trucks, including about 350 from Czechoslovakia, from crossing the border into Yugoslavia, in response to a unilateral rise in transit charges in Czechoslovakia and Hungary. Greek forwarding agents have been demanding cuts in the charges for transit through Czechoslovakia from the present 1,500 German marks to the original 750 German marks.

Lansky said Czechoslovakia is ready to discuss the matter with Greek representatives and make far-reaching compromises, but he said it rejects any ultimatums from Greece or the European Community. Czechoslovakia, first of all, wants Greece to immediately settle the complicated situation of the stranded Czechoslovak truck drivers at the Greek-Yugoslav border, Lansky said, adding that "all the rest will be a matter of further talks."

Pirek today also asked the representatives of Britain, Portugal and the Netherlands for help in settling the stalemate. Lansky said they promised to do all they could to help.

Protest Note Given to Greek Ambassador

AU0602152392 Prague CSTK in English 2050 GMT 4 Feb 92

[Text] Prague Feb 4 (CSTK)—A note demanding an immediate adoption of measures to free Czechoslovak trucks deadlocked on the Greek-Yugoslav border was handed today by a Czechoslovak Foreign Ministry official to Greek ambassador to Czechoslovakia Epaminondas Peyos. Hundreds of trucks, including 350 Czechoslovak ones, have been deadlocked since January 24 on the Greek-Yugoslav border as a result of a blockade by Greek forwarding companies which protest against raising transit charges in Czechoslovakia for "excessive" trucks from 750 German marks to 1,500 German marks.

This year's limit for the number of trucks going via Czechoslovakia free of charge is 5,000 against 4,000 last year. In addition, 24,000 trucks can use the Czechoslovak territory after paying the charge.

The note, expressing anxiety over the Greek Government not preventing a deliberate hold-up of Czechoslovak trucks, says this situation testifies to discriminatory attitudes towards Czechoslovak transporters. The note says the Czechoslovak Government is ready to discuss the transit issues with both Greece and the European Community (EC).

Greece, an EC member, has lodged with the community a complaint against Czechoslovakia.

Preliminary Slovak Statistical Data for 1991

AU0502122792 Bratislava PRAVDA in Slovak 1 Feb 92 p 3

[CSTK report: "The Economy Was Declining, Children Continued To Be Born; Slovakia's Economy and Demography in 1991 in the Light of Statistics"]

[Text] Bratislava— We publish the preliminary results on the state and the development of the Slovak Republic's economy and demography in 1991, as processed by the Slovak Statistical Office in Bratislava. The results show that the initial phase of the transition of the economy toward market conditions made itself felt in falling output. The development of services and of the private sector could only mitigate this decline.

Industry: 24.9 Percent Decline

The reduction of domestic sales and of exports showed up in the performance of the main branches of the Slovak Republic's economy. Industrial output in the Slovak Republic declined 24.9 percent. Total sales by industrial enterprises with 100 or more employees declined 30 percent and deliveries to market funds 29 percent. 1991 deliveries for export reached the level of the preceding year. The volume of construction work declined 33.9 percent and the volume of transported goods 34.4 percent.

Gross agricultural output was 3.9 percent lower than in 1990, of which livestock farming alone declined 14 percent. The physical retail trade turnover volume declined 37.8 percent.

When price influences are taken into consideration, investment activity declined 40 percent. Investment work and deliveries for investment projects worth about 60 billion korunas were carried out last year; about 8 percent of the total investment volume was spent on environmental protection.

Only partial changes were carried out in the structure of the Slovak Republic's economy. In 1991, just as in 1990, the chemical industry accounted for the largest share of industrial output (20.9 percent). It was followed by the food industry (13.8 percent), machine building (12.8 percent), and ferrous metallurgy (11.8 percent). As regards the structure of agricultural output, as a result of a better harvest [than in 1990] and of the drop in

demand for products of animal origin, the proportion of crop farming increased from 42.1 to 48.2 percent.

The drop in the utilization of production capacities also made itself felt in an 8 percent overall decline of employment, that is, in a decline by 180,000 employees. The number of employees in all sectors of the national economy in 1991 averaged 2,130,000. While the number of employees in the state and cooperative sector declined 12 percent and the number of employees of agricultural cooperatives 23.5 percent, the number of employees in the emerging private sector increased fivefold.

Average nominal monthly wages of full-time employees in the state and cooperative sector (without agricultural cooperatives) amounted to 3,750 korunas and in agricultural cooperatives to 3,910 korunas. It is estimated that monthly earnings of those working in the private sector averaged 5,300 korunas.

Compared with 1990, average nominal monthly wages in the state and cooperative sector increased by 480 korunas (14.7 percent) and in agricultural cooperatives by 100 korunas (2.6 percent). As a result of the growth in the cost of living, the real value of wages of white and blue collar workers declined, compared with December 1990, 19.6 percent in the course of 1990 and the real value of wages of cooperative farmers declined 29.8 percent.

Despite the creation of new jobs, especially in the private sector, 302,000 persons were seeking employment at labor offices at the end of the year. The rate of unemployment reached 11.8 percent by the end of the year and was almost three times higher than in the Czech Republic. The rate of unemployment in individual districts ranged between 6.53 and 20.23 percent. Until June 1991, Rimavska Sobota was the district with the highest rate of unemployment; since July, it has been the district of Cadca.

The population of the Slovak Republic increased by 24,900 last year. As of 31 December 1991, the population of the Slovak Republic was 5,209,300, taking into consideration the results of the census [of March 1991]. There were 79,600 live births last year, which was 300 below the figure for 1990. Neonatal mortality—15.1 per 1,000—remained unchanged. A total of 54,200 persons died last year, 500 fewer than the year before. The citizens of Slovakia concluded 35,100 marriages last year, 5,300 (13.2 percent) fewer than in 1990; 8,300 marriages were divorced, 600 fewer than the year before. There were 23.5 divorces for every 100 marriages.

Meciar 'Most Trusted' Politician in Slovakia

AU0402110492 Bratislava VEREJNOST in Slovak 31 Jan 92 p 2

[CSTK report in the "By Wire" column]

[Text] According to the results of a survey carried out by the Institute for Public Opinion Research operating under the Slovak Statistical Office, Vladimir Meciar (Movement for a Democratic Slovakia) enjoys the greatest confidence of citizens of the Slovak Republic—he is trusted by 47 percent of respondents. Alexander Dubcek enjoys the trust of 24 percent and Peter Weiss (Party of the Democratic Left) of 22 percent of respondents; 16 percent expressed trust in CSFR President Vaclav Havel and 13 percent in Slovak Prime Minister Jan Carnogursky. The subsequent places are held by Milan Knazko (Movement for a Democratic Slovakia) with 9 percent, Jozef Prokes (Slovak National Party) with 8 percent, Frantisek Miklosko (Civic Democratic Union-Public Against Violence) with 6 percent, Vaclav Klaus (Civic Democratic Party) with 4 percent, and Valtr Komarek (Club of Social Democratic Orientation) with 4 percent. According to the survey, 15 percent of those questioned do not trust any contemporary politician.

'Hostile Feelings' for Ethnic Groups Declining

AU0302134892 Prague LIDOVE NOVINY in Czech 31 Jan 92 p 2

["lb"-signed report: "Double Thinking on the Retreat"]

[Excerpt] Prague—[passage omitted] At a briefing in Prague yesterday, the staff of the Institute for Public Opinion Research presented citizens' views on ethnic relations. The institute's surveys show that hostile feelings for other ethnic groups are on the retreat. The view is gaining ground that, within the framework of the federation, the Czechs' standard of living does not benefit at the expense of Slovaks, and vice versa. It is also becoming apparent that, insofar as a negative attitude toward other ethnic groups exists, it is not—neither in the Czech Republic nor in the Slovak Republic—caused by the feeling that one's own nation is being wronged. The section of the public in the Czech Republic that harbored hostile feelings for others specified that it has those feelings, above all, for Romanies (61 percent) and Slovaks (15 percent). In Slovakia, hostile feelings were directed against Hungarians (44 percent) and Romanies (22 percent) and only to a negligible degree against Czechs (1 percent). Virtually no negative attitude toward Germans and Jews has been noticed—4 and 0 percent in the Czech Republic and 0 and 1 percent respectively in Slovakia. [passage omitted]

Antall Said Able To Fulfill Foreign Obligations

LD0502163892 Budapest Kossuth Radio Network in Hungarian 1600 GMT 5 Feb 92

[Text] The government spokeswoman has denied that [Prime Minister] Jozsef Antall cannot accept foreign invitations because of his health. Judit Juhasz recalled that the prime minister only cancelled his New York visit because his doctors suggested that a tiring overseas trip was not advisable after his follow-up care. However, the spokeswoman stressed that the head of government is well and he can fulfill all of his foreign obligations in the near future.

Hungary Removed From Cocom List

LD0602095492 Budapest MTV Television Network in Hungarian 0630 GMT 6 Feb 92

[Text] We received the news yesterday that Hungary had been removed from the so-called Coordinating Committee for Multilateral Export Controls [Cocom] list. As International Economic Relations Minister Bela Kadar, who arrived from the world economic forum in Davos pointed out at his news conference yesterday, this is also recognition of the significant development the Hungarian economy has shown in the past 18 months. As you obviously know, the exportation of the most developed technology to the Soviet Union and its allies was restricted on the basis of the Cocom list.

Roundup on South African President's Visit

LD0602070792

[Editorial Report] The following is a roundup of reports from Hungarian media on South African President F.W. de Klerk's one-day visit to Budapest on 5 February.

Arrival

De Klerk "arrived in Hungary this morning. There was a welcome with military honors on Kossuth Square for the politician who opened a new era in the history of the black continent when in June last year he abolished the last apartheid law in South Africa. Willem de Klerk is the first South African president to visit our country." (Budapest Kossuth Radio Network in Hungarian 1100 GMT 5 Feb 92)

Meets Goncz

Hungarian President Arpad Goncz received de Klerk and his entourage and "praised the efforts which Willem de Klerk made to abolish apartheid. The South African president stressed that Hungary was the first state in the region to settle its relationship with South Africa. We hope to find new, satisfactory forms of political and economic cooperation on this visit, de Klerk emphasized." (Budapest Kossuth Radio Network in Hungarian 1100 GMT 5 Feb 92)

"Hungary has played a leading role in East-Central Europe to re-establish ties with South Africa," de Klerk said during talks with Goncz. "The aim of his visit to Hungary, de Klerk said, is to find ways to develop political ties and determine economic needs and possibilities to boost trade. Goncz, in turn, briefed de Klerk on economic and political developments in Hungary. De Klerk's visit is of historic significance, Goncz said after the talks, lasting much longer than expected." (Budapest MTI in English 1420 GMT 5 Jan 92)

Meets Antall, Signs Statement

De Klerk met Hungarian Prime Minister Jozsef Antall. "Later, plenary talks were held between a Hungarian delegation headed by Antall and a South African delegation accompanying de Klerk. Further, an agreement on relaxing certain visa restrictions will be initialled by Hungarian Foreign Affairs State Secretary Tamas Katona and South African Minister of Foreign Affairs Roelof Botha. 'You are not colonizers but equal citizens in your region,' Hungarian Prime Minister Jozsef Antall said during the talks. Problems facing South Africa and their possible solutions should also be examined in this context, he added. Hungary is unbiased in its assessment of South African society's historic development, Antall said. Hungary seeks to establish good relations with all regions of the world including South Africa, he said, stressing if a country wants to build long-term ties in East-Central Europe, it must take the first steps towards that goal right now. Although Hungarian-South African ties are still at an early stage, in Antall's view, it would be useful to conclude bilateral agreements to eliminate double taxation and to protect investments. Hungary also sees good opportunities to develop tourism and infrastructural ties and launching joint ventures. Currently meagre trade should be developed equally by both sides. Prospects are good to boost financial, cultural and scientific relations as well, Antall said. South Africa will be a reliable partner for Hungary, de Klerk said, encouraging Hungarian companies to appear in the South African market." (Budapest MTI in English 1443 GMT 5 Feb 92)

Antall and de Klerk "signed a statement on Hungarian-South African relations. The prime minister emphasized at the morning talks that South African firms can find investment opportunities in Hungary that are as good as the Europeans' and the Americans'." (Budapest Kossuth Radio Network in Hungarian 1600 GMT 5 Feb 92)

Foreign Ministers Sign Visa Agreement

"An agreement on limited visa exemption was signed between our country and the Republic of South Africa, whose president has been visiting Hungary for the first time in history." The South African president, "who has come with the requirement of developing bilateral political and economic relations, was also curious about the experiences of the Hungarian coalition government, since soon there will be a radical amendment to the Constitution in his country, and thus the creation of a consensus between the political forces will become of key

importance." (Budapest Kossuth Radio Network in Hungarian 1500 GMT 5 Feb 92)

"Hungary and South Africa agreed to relax certain visa restrictions during South African President F.W. de Klerk's visit today. Foreign Ministers Geza Jeszenszky of Hungary and Roelof Botha of South Africa signed the agreement. Later in the day, de Klerk and his delegation laid a wreath at the Hungarian Heroes' Monument on Heroes' Square." (Budapest MTI in English 1549 GMT 5 Feb 92)

News Conference

De Klerk held an international news conference. Reporting on his talks with Hungarian leaders and his impressions of Hungary, de Klerk "said that it was interesting to see first-hand where central planning and Marxist philosophy had led the Hungarian economy. It is impressive, he said, the way Hungary tries to get rid of the grave heritage. The improvement is great already. Hungary is looking forward to a prosperous future, President de Klerk stressed and then said they had briefed Hungarian leaders on their efforts to create South African constitutionality, pluralist democracy." De Klerk "also told us how great investment possibilities were in his country. He stressed that South Africa is a regional power in the sub-Saharan region and that the road to the region leads through them. He praised the establishment of full-scale Hungarian-South African diplomatic relations and, as he said, the importance of the new friendship. Answering a correspondent on the concrete results of today's talks, the head of state answered that the two foreign ministers signed an agreement concerning visas, which would promote visits. He did not go into further detail. Further details were outlined by Foreign Minister Botha, who was also present at the news conference. Talks are being held by experts and government officials on cultural, scientific, and technological cooperation, on the end to dual taxation, on agreement on tourism, and on the protection of investment, he said." (Budapest Kossuth Radio Network in Hungarian 2100 GMT 5 Feb 92)

"Hungary and the Republic of South Africa managed to put their relations on new foundations," de Klerk and Botha told the news conference, adding "that the talks would continue on expert level." De Klerk, "who visited some West European countries previously, felt the advanced industrial states would promote the East European reforms. They understood, he said, that the failure of reforms would be harmful to the world at large. Addressing economic issues, de Klerk said that South Africa's new Constitution based on a multi-party system and democratic principles would invariably guarantee private ownership. In reply to questions, De Klerk said that his country wished to improve ties with the so far hostile African states and play the role of a 'locomotive' in the region. Should South Africa succeed, it could prevent the flood of economic refugees from the neighbouring countries. De Klerk stressed that South Africa continues doing away with the last vestiges of apartheid, and seeks to base its future on power sharing, economic stability and democracy." (Budapest MTI in English 2118 GMT 6 Feb 92)

Banquet

Goncz and his wife held a "gala dinner" to honor de Klerk and his wife. Goncz emphasized in his toast: "I can assure you that the South African businessmen who are keen on establishing business ties with Hungary will find reliable and flexible partners here. The various forms of cooperation may open a gate for you to East Central Europe as a whole." De Klerk, in his reply, "recognized Hungary's pioneering role in establishing ties between Eastern Europe and South Africa, adding that Hungary was the first to normalize its relations with his country half a year ago. He recalled that the sides conferred on a number of agreements, some of which could soon be signed. 'I hope that my visit may give a new impulse to the development of relations,' he said. 'From the historical point of view, there are remarkable similarities between the experiences of South Africa and Hungary. Both countries saw an abortive ideology and policy be defeated. Despite the different nature of changes, our goals are identical. Both countries seek to stabilize democracy and become full members of the international community,' De Klerk said. (Budapest MTI in English 2140 GMT 5 Feb 92)

Jeszenszky Sees Chance for Improving CSFR Ties

LD0602053192 Budapest Kossuth Radio Network in Hungarian 1100 GMT 4 Feb 92

[Text] Geza Jeszenszky says there is a great chance for Czechoslovak-Hungarian relations, which are already good, to be even better in the future. The Hungarian foreign minister was speaking to the Prague news agency on the 70th anniversary of the two countries' establishing diplomatic relations. He called the Visegrad three's talks on creating a free trade zone promising. However, he noted the sad fact that economic relations between the CSFR and Hungary today do not even reach the level they did between the two world wars.

Economic Cabinet Assesses SFRY Outstanding Debts

LD0602025792 Budapest MTI in English 1914 GMT 5 Feb 92

[Text] Budapest, February 5 (MTI)—The debts of the former Yugoslav Republics to Hungary were discussed during a Hungarian Government economic cabinet session today. A report submitted to the cabinet showed most of the recent two-way trade was contracted by cash deals, leaving a modest proportion of outstanding debts. The value of unpaid letters of credit is about USd 10 million. Also, the Hungarian state railways has an almost 50 million Swiss francs claim that Yugoslavia promised to settle immediately. The cabinet commissioned the

industry and trade minister to examine possible Hungarian involvement in Croatia's reconstruction and how to fund it.

Spokesman on Budget Law Errors, Deputy Presidents

LD0202192192 Budapest MTI in English 1325 GMT 31 Jan 92

[Text] Budapest, January 31 (MTI)—The 1992 budget law will again be presented to parliament because its text published in the HUNGARIAN GAZETTE contained some errors, Gyorgy Naszvadi, deputy state secretary of finance, told the press on Friday.

On Thursday, Naszvadi informed the government on what had happened on December 31 in the afternoon, in the last phase of the 45-hour parliamentary debate over the state budget. He recalled that the MPs [members of parliament] had approved an amendment proposed by the opposition and relocated 2 billion forints for other purposes. In the GAZETTE, however, this sum was printed twice, which may give rise to a misunderstanding. The correction will soon be published, the deputy state secretary said. It is still unclear, he added, whether the error was committed in haste when the amendment was entered into the text or in the course of printing. Both the government and parliament held it particularly important to pass the 1992 budget law whilst still in 1991, Naszvadi said.

Imre Verebelyi, state secretary of home affairs, put forward a report on the local governments last year. In the report, the ministry assessed the country's 3,100 local governments from the aspects of democracy, autonomy and efficiency. Of the new, democratically elected mayors 2,700 people had not been full-time politicians before. In 400 localities, the former heads of the local councils were re-elected. Of the 90,000 candidates, 25,000 were elected to the local governments. Most of them were independent candidates without any party affiliation.

Last year, Hungary's local governments lived up to the objective requirements set to them and managed their funds efficiently, Verebely said. This evaluation was confirmed by the relevant body of the Council of Europe, too. He added that Hungary would join the European charter on local governments.

Hungary will also join the Geneva-based European Organization for Nuclear Research (CERN), government spokeswoman Judit Juhasz said. The spokeswoman announced that the Council of Europe would open its second European youth centre in Budapest. (The first one is operating in Strasbourg.)

Juhasz said that Prime Minister Jozsef Antall had revoked the proposal he made seven months ago for there to be three deputy presidents each for Hungarian radio and Hungarian television. Since the Hungarian president had refused to sign the relevant documents, the prime minister turned to the Constitutional Court. The court ruled on January 28 that no concrete deadline could be set for the president to sign the documents.

The prime minister's candidates also withdrew. The prime minister's office announced that Antall would make proposals for the new deputy presidents later.

Szabo Assesses Economic Development Prospects

AU0402114392 Budapest NEPSZABADSAG in Hungarian 1 Feb 92 p 9

[Interview with Industry and Trade Minister Ivan Szabo by Zsuzsa Regos; place and date not given: "Industry and Trade at Half-Time—Ivan Szabo: I Want To Get Rid of Shoddy Goods!"]

[Excerpts] [passage omitted]

The Evil State

[Regos] Small and medium-sized enterprises have recently been complaining a lot about the unfriendly treatment they receive from the government and legislation. Factories and mines are being closed down, unemployment is rising, the reduction of inflation is only a promise just now, and according to forecasts, industrial output will decrease by 10 to 15 percent in 1992. On what do you base your optimism then?

[Szabo] Understandably, business matters and social issues are often confused in the minds of people. The past decades have proved that full employment is an illusion. [passage omitted] The rapid reduction of industry is a painful fact but, in my opinion, this indicates the acceleration of the changes in many areas. The problem is not in itself the parallel increase in unemployment, but the fact that Hungary does not yet have the tools to deal with social tensions. If someone looses his job in Hungary then his livelihood will be uncertain and he will immediately sink to a subsistence level. Low living standards and the lack of prospects compared to the average of market economies are the main reasons for this. [passage omitted]

[Regos] How do you envisage the development of artisans or new entrepreneurs who have been put under the pressure of taxes and finances?

[Szabo] [passage omitted] Preferential loans with strict control provide the best opportunity for access to the markets and for remaining in these markets. I have mentioned it many times, but I do not think it does any harm to mention again that, in spite of the population's income being on the average 8 to 10 percent lower than inflation, savings have increased considerably. The net value of public savings was 90 billion forints in 1990, and in 1991, it was already approximately 300 billion forints. This means that, while a part of the population is indeed in a socially endangered position, another part of the population has changed its way of thinking. Obviously, it cannot be questioned that interest rates ensuring

a higher income than investment in production also encouraged these savings. However, this process will be reversed as soon as inflation decreases. According to surveys, calculating it on the basis of the last five or six months of 1991, this year's inflation could even be 12 percent. For me, this fact makes the 20 to 25 percent inflation forecast for 1992 realistic. If this is true, than the capital accumulated in banks could turn into productive industrial capital in the not so distant future. The situation is not so bleak if I also add that, in addition to the public savings, we also count with savings of enterprises and local governments. [passage omitted]

[Regos] What will happen to the state-run large enterprises whose laborers find themselves in the streets?

[Szabo] First of all, we have to resolve the protection of industrial and commercial activities. This means rational customs policy and the protection of quality and customers at the same time. In the very sense of the word, I want to get rid of shoddy goods. [passage omitted] In industry, I do not want to protect enterprises that are unable to function from the attack of foreign markets. In today's world, customs duties can only be set or raised in justified cases. We will apply such customs duties against some of the former socialist countries in our region, which still give 50 to 100 percent subsidies in certain areas. This is nothing but justified protection against dumping goods. We are trying to establish a quality system similar to the developed market economies. I sincerely hope that, parallel to this, we will be able to take the consumer protection law through parliament in 1992.

New Thinking

As regards the protection of industry, a new way of thinking will be needed. Seeking the cheapest methods in infrastructure investments is one of its elements. Thinking about the future of industry, in the case of investments for 20 to 50 years, we cannot afford to consider a few enterprises that have to dismiss people. [passage omitted] At the beginning, I said that business and social issues are often confused by people. The only possible way to help enterprises that are struggling with credits and developments they have not repaid or have not completed is to change their short-term loans into long-term ones. If these enterprises survive the initial financing problems then the bankruptcy proceeding can mean their survival rather than their closure. These profitable enterprises have to be preserved; this is actually the protection of Hungarian national property, or this is the way to privatize these enterprises at a higher price. I believe that we can also make some progress in this issue in 1992.

Radiation Contamination Antidote Discovered

LD0302184892 Budapest Kossuth Radio Network in Hungarian 1700 GMT 30 Jan 92

[Text] For the first time in the world, Hungarian researchers have succeeded in developing an antidote to radiation contamination. TVS-31, PTR-13, LB-5—these three strange names probably do not say much to most people today. In a few years time, perhaps, they will mean life for many. This is how the three preparations are called, and with their help—at least according to the state of research at present—radioactive materials which invade the living organism can be contained and their absorption reduced. It will be possible to reduce the deposition of the already absorbed radioactive isotopes and to speed up their evacuation. All this, in plain English, means that it might be possible to prevent radiation disease.

Today, when damage to civilian and military nuclear facilities cannot be excluded—let us just think of Chernobyl or the developing countries hiding their secret uranium processing plants—this can even be called a world sensation. All the more so because, according to results so far, the antidotes produced by the Hungarian researchers are significantly more effective than those which have existed so far. The trouble, as usual, is that for the time being there is not enough money to complete the research.

Parys Surprised at Milewski's Army Cuts Proposal

LD0602054492 Warsaw PAP in English 2111 GMT 5 Feb 92

[Text] Warsaw, Feb. 5—The National Defence Committee chaired by President Lech Walesa met here Wednesday, for the first time since Jan Olszewski took over as prime minister. The discussion focused on two projects forwarded by the national security office, one concerning the Polish Armed Forces reorganization, the other principles of the Polish defence system.

Commenting on a proposal put forward by head of the national security office Jerzy Milewski to reduce the manpower of the Polish Army by 50,000, Minister of National Defence Jan Parys said he was surprised with Milewski's initiative because, in his opinion, still existing threats do not allow for such a move. However, Jerzy Milewski stated that the reduction proposed by him would comply with the general disarmament trends in Europe. He also said that the implementation of the move would be a logical step forward towards the Army adjustment to conditions of an independent country, not affiliated with any military pact. He pointed out that taking into account Poland's financial situation, the country could not afford to build up a larger Army.

Referring to the initial project of the principles of the Polish defence system, Parys said that the external threats are not symmetrical and admitted that in case of a concrete danger, the Army is prepared to secure the Polish eastern border. Parys disclosed that a part of the talks was devoted to issues relating to a concept of building up the Polish security system through closer cooperation with the West and recalled that the president several times pointed to the importance of military cooperation between Poland, Czechoslovakia and Hungary. He admitted, however, that there was no voting during the meeting and therefore it was of no decision-making character.

[Warsaw Radio Warszawa Network in Polish at 1500 GMT on 5 February carries the following recorded comments by Milewski on the meeting: "One aim is to formulate a strategy and tactics for Polish Army operations. However, the doctrine is much broader than only these components for it also includes defense industry matters, public security matters, and foreign policy, which have considerable repercussion on the doctrinal issues.

"The committee examined the initial draft defense doctrine elaborated by the national defense bureau and after broad discussion it recommended the urgent continuation of work on this doctrine taking account of greater participation—or else more intense participation—in the works of these three basic ministries—that is the ministries of national defense, foreign affairs, and internal affairs. The president expressed himself very forcefully about the fact that this text of the defense doctrine, which will be adopted at the next committee meeting, will be a text adopted by the committee in which there are ten people and each of them is responsible for some sector of our country's security or defense."]

Parys Asks Troops Against 'Pro-Atlantic' To Quit

LD0602044292 Warsaw PAP in English 2220 GMT 5 Feb 92

[Text] Warsaw, Feb. 5—Minister of National Defence Jan Parys revealed Wednesday that he had proposed during last week's meeting of the Military Council of the Ministry of National Defence that the military who "do not identify themselves with a new pro-Atlantic option" should leave the Armed Forces voluntarily. Minister Parys also reiterated that he is against any purges in the Army. Asked by journalists about possible collaborators of the communist special services, Parys said that his proposal of submitting resignations includes also those that "were involved in inconvenient connections." He added that so far none such resignation request had been made. Parys announced that each military who failed to submit a resignation "takes on an obligation of an absolute loyal cooperation".

Aviation Industry Urged To Seek Foreign Partners

LD0402183792 Warsaw TVP Television Network in Polish 1830 GMT 31 Jan 92

[Excerpts] Enterprises of the aviation industry will be able to cooperate with overseas enterprises without any restriction. Their only chance with today's budget cuts is to set up companies or to sell off enterpises, National Defense Minister Jan Parys said during a meeting with parliamentarians and voivodes from southeast Poland and with representatives of aviation industry enterprises.

The Ministry of National Defense owes the aviation industry about 700 billion zloty because of the 1991 budget cuts of 500 billion zloty. For this reason, the minister will not sign any new agreements for aviation equipment this year until he has paid the debts. The trade unions maintained that not having any agreements means they do not have any work. Experts are leaving the enterprises and pay is at the level of unemployment benefits. It is precisely the defense industry which, to a large degree, provides money for the state budget and that is why it cannot be allowed to collapse.

[Begin Parys recording] I don't think we will be able to maintain all the aviation factories at present, particularly as the eastern market has disappeared and the domestic market is minimal for financial reasons. One solution is to close certain factories while the remainder should cooperate with overseas partners. [passage omitted] [end recording]

The Ministry of National Defense will not buy any planes from Western states. It prefers to make purchases in Poland as they are cheaper and produced by our own industry. [passage omitted]

Olszewski Interviewed on Defense Policy

AU0402191092 Warsaw POLSKA ZBROJNA in Polish 30 Jan 92 pp 1, 2

[Interview with Polish Prime Minister Jan Olszewski by Janusz Grochowski; place and date not given: "I Consider the Army's Problems a Priority"]

[Text] [Grochowski] The two previous governments appeared to take little notice of military issues, although many of them required and still require urgent solutions. Do you intend to continue with the same approach to the matter?

[Olszewski] Surely my very presence on the Ministry of National Defense Military Council shows that the government that I head is aware of their importance.

[Grochowski] In POLITYKA, Jaroslaw Kaczynski recently said that "if this government were only to succeed in introducing changes in the Army (....) and then collapse, every objective historian would have to acknowledge that it had performed a watershed role." This may suggest that your cabinet's main task is to establish "order" in the Army.

[Olszewski] We view Army affairs in terms of the state as a whole. They are, considering the interests of the republic, undoubtedly of first-rank importance, and we will undoubtedly accord them a great deal of attention. Besides, we have already been doing that from the moment the government was formed.

[Grochowski] What should changes in the military be about?

[Olszewski] Above all, the Army must adapt to new tasks, dangers, and a changing situation. That is the basic task at the present time. At the Military Council meeting [29 January], one of the things that the generals reported on was the state of security on our eastern borders, and that alone already defines the scale of the tasks that we face and the direction in which the changes that we have to make must proceed.

[Grochowski] It is difficult to consider the description of the Armed Forces provided by commanders of military districts and branches of the Armed Forces to be encouraging.

[Olszewski] The condition of the state as a whole is not encouraging. Compared to it, the situation in the military is in many respects better in a relative sense, although, of course, if one considers the extent of the pressing needs and task connected with national security, then the area is one that requires changes as quickly as possible.

[Grochowski] Will these changes be linked to changes in personnel levels? There is talk of a Polish Army with 100,000 men, whereas our neighbors' armies are much larger. Germany has almost 250,000 soldiers, the Ukraine has 400,000, and Belarus has 200,00.

[Olszewski] It is premature to talk of reducing the size of the Polish Army.

[Grochowski] Nevertheless, there are fears that personnel will be discharged en masse....

[Olszewski] There will be no "purges," that I can assure you.

[Grochowski] Mr. Prime Minister, do you trust the military? Do you believe in their loyalty to the Republic of Poland?

[Olszewski] I believe in military honor above all. I believe in patriotism, including patriotism on the part of men in uniform. I believe that it is a fundamental value that is present in every community and that one can appeal to it in certain situations, and almost always—as experience shows—it prompts the response that is awaited.

[Grochowski] There are many problems connected with national defense that have to be regulated by law. Does your cabinet intend to propose any legislation in this respect?

[Olszewski] Of course, that is one set of issues that we have to settle. Unfortunately, there are similar needs in many other areas, and we know that we cannot settle everything at once. However, we do in a certain sense consider Army affairs a priority. It is one of the first areas that will have to be covered by legislation.

[Grochowski] Minister Jan Parys has put forward a military concept that views the threats to our security as asymmetrical, and that makes it necessary to seek guarantees for our security in NATO structures. In practice, that would mean altering our present military doctrine, which envisages that the security of all the republic's borders be protected to an equal degree.

[Olszewski] We will certainly defend all our borders with the same determination. What changes is the level of threat. The instability resulting from the collapse of the Soviet Union is undoubtedly the greatest current danger. It is not surprising that precisely that border must be the subject of our particular concern at the present time.

[Grochowski] I understand that this is not a question of concluding alliances that are directed at someone in particular.

[Olszewski] Of course not, and, above all, we still do not have any actual alliances. We are only just beginning to look for possibilities of safeguarding our interests through lasting international ties. We have to seek them. One thing is certain—I stressed this at the meeting of the

Military Council with reference to our past experiences—we do not want to be satellites, but partners in any alliance the we enter into.

[Grochowski] The interests of the Polish state come first.

[Olszewski] Exactly.

[Grochowski] The only permanent element in Europe that could guarantee our security is NATO. The point is whether there is any real basis for obtaining such guarantees from NATO?

[Olszewski] I base my position on an analysis of the interests involved, that is, the interests of the EC, with which we recently signed accords on associate membership and the interests of the United States, which is undoubtedly the most important state in NATO. Maintaining a certain level of stability in Central and Eastern Europe lies in the interests of all and that is an argument in favor of supporting Poland's efforts.

[Grochowski] Have Western politicians told you anything concrete in this respect?

[Olszewski] I am not talking about the current state of awareness in the West, but am indicating an objective set of interests. It is our job now to convince all those concerned.

[Grochowski] Our sovereignty is threatened by the presence of Soviet forces on Polish territory. Unfortunately, obstacles to settling this issue are still being encountered.

[Olszewski] It is undoubtedly much more difficult to resolve this issue in Poland's case that in the case of Czechoslovakia or Hungary. The lines of communication between the former Soviet Union and the eastern part of Germany, where a very sizable group of Soviet forces is still based, run across our country. This has resulted in the other side adopting a different approach to the problem, because the presence of their forces in our country is of much greater importance than in the case of the other two states. That is why I think the issue was and still remains a difficult one.

[Grochowski] Will we be resolute in demanding the withdrawal of these forces by the end of the year?

[Olszewski] Naturally, especially as current circumstances and the situation that we have to deal with are changing very rapidly, 1993 is almost like the beginning of an other historical epoch.

[Grochowski] So, in the light of this, how should General Dubynin's recent statements be viewed?

[Olszewski] General Dubynin is well known for the various statements that he has made and for his idiosyncratic way of putting things. If we were to respond in the way that is normal in international relations, then the general's last statement would no longer be an issue. However, the situation is not a normal one. We are dealing with a country that is undergoing fundamental political changes. This does not mean that I am condoning General Dubynin's statement or that I treat the matter lightly.

[Grochowski] In an interview that you gave to POLSKA ZBROJNA before the parliamentary elections, you said that we can no longer afford to make economies at the Army's expense. However, you have approved a draft budget that envisages a further 20-percent cut in expenditures on defense.

[Olszewski] Three months cannot decide the future of an institution such as the Army. As I have said on several occasions, we proposed the budget in its present form for reasons over which we did not, in a certain sense, have any control.

[Grochowski] Can one take that to mean that in the budget for the period until the end of 1992 that your cabinet has already prepared, the trend toward reducing spending on the Army will be stopped?

[Olszewski] The general line of making savings wherever possible will be maintained. However, I can assure you that it will not be our position that savings have to be made at the expense of the Army above all, and there was at one time a tendency to do that in Poland.

[Grochowski] Do you think that the Army still has untapped reserves after five years that have been increasingly lean for it?

[Olszewski] Looking at all areas of life, I can say that there are reserves almost everywhere. I do not think that the military is an exception in this respect.

[Grochowski] Mr. Prime Minister, thank you.

President's Chancellery Reorganized

LD0602043592 Warsaw PAP in English 1849 GMT 5 Feb 92

[Text] Warsaw, Feb. 5—As earlier announced by the president, his chancellery is re-organized. In tune with the ordinance that Lech Walesa issued last November, both the structure and the personnel make-up of the chancellery are changed. So far, about 100 people, that is, one third of employees received collective terminations of their labour contracts, acting head of the chancellery Minister Janusz Ziolkowski told PAP.

He explained that "the president intended to depoliticize the chancellery that should not become an arena of political struggle." Former PUWP [Polish United Workers Party] members accounted for about 75 per cent of hitherto employees of the chancellery and now they account for 15 per cent of less than 200 employees.

Ten top posts—ministers, secretaries and undersecretaries of state—remained out of the 22 ones. Minister Ziolkowski assures that "this process has not yet been completed," adding that "this is not a purge and

that usefulness of every employee is determined primarily by expertness and loyalty."

The chancellery is now made up of: the president's office, the office of the press spokesman, the organizational office, the office for the president's political service, the international office, the legal office, the office for cadres and distinctions, the financial office, the office of complaints and letters, the office of the chancellery's head, two secretariats: of the national judiciary council and the social committee for restoring buildings of historical value in Krakow and the office of the national security council enjoying considerable autonomy.

Farmers Solidarity Present Olszewski Economic Woes

LD0602044592 Warsaw PAP in English 2155 GMT 5 Feb 92

[Text] Warsaw, Feb. 5—At a meeting with Prime Minister Jan Olszewski on Wednesday representatives of the Private Farmers' Solidarity presented their most urgent economic problems that should be examined by the government, among them the issue of indebtedness and fixed interest rates on credits. "The prime minister agreed that it is very important to relieve farmers from debts and that the government bears moral responsibility for letting farmers into a credit trap," leader of the union Roman Wierzbicki told newsmen.

The prime minister and unionists agreed that home market should not be protected with the use of mechanisms that are incompatible with the regulations contained in the accord on Poland's association with the European communities. Instead, they pointed to such protective measures as compensatory charge, sanitary control and licenses that may be applied without infringing the association agreement.

As for minimum procurement prices for agricultural produce, the prime minister declared that in the present budgetary situation it will be impossible to introduce them, and suggested to solve the problem by granting privatization bonds to farmers so as to ensure their participation in the privatization processes of food processing plants. The problems raised by farmers' unionists will be further discussed next week at the Ministry of Agriculture and other ministries.

Growing Unemployment Foreseen Under Recession

LD0602043192 Warsaw PAP in English 1658 GMT 5 Feb 92

[Text] Warsaw, Feb. 5—The number of jobless exceeded 2.1 million people at the end of 1991 and it grows very swiftly under the conditions of great economic recession. High unemployment will characterize [the] labour market in Poland, a report by the Central Planning Office on Poland's demographic situation says. A considerable growth of population in the productive age (by 2.1 million people till the year 2000) and growing unemployment will influence moods and the size of job-seeking emigration in the coming years. "In this situation, Poland's policy should aim at creating opportunities for Polish citizens to legally work in EC countries for some time," Kazimierz Dzienio from the government population commission said at a press conference Wednesday.

Poll Shows 25% Support Faster Privatization

LD0502143192 Warsaw PAP in English 1118 GMT 4 Feb 92

[Text] Warsaw, Feb. 4—The opposition towards market reforms and their results is twice as large as support for capitalism in Poland, according to a poll conducted by the public opinion center in Sopot [north-central Poland] last week for the "GAZETA WYBORCZA" daily. Only one in every four Poles wants faster privatization, opening Polish markets to foreign goods, inviting foreign capital to Poland and widening freedom for enterpreneurs.

Over one half of those polled want the protection of state-owned enterprises against unemployment and foreign capital and protection of Polish production against the flood of Western goods as well as a halt to economic fraud and scandals.

And overwhelming majority of those polled is against energy price hikes and only 8 percent think them neccesary.

Asked why the Polish state treasury is empty, over 70 percent answered that this was caused by "economic scandals," about 50 percent put the blame on the downfall of state-owned enterprises and every second of those polled blamed the government for its inability to collect money from private businessmen. Only one in every 8 poles believes the treasury is empty because of "lack of privatization".

Melascanu Briefs Press on Foreign Policy Issues

AU0502202392 Bucharest ROMPRES in English 1952 GMT 5 Feb 92

[Text] Bucharest ROMPRES, 5/2/1992—During the weekly news conference of the Ministry of Foreign Affairs the following statement was made on the new U.S. and Russian initiatives for arms reduction and control by Foreign Ministry Spokesman Secretary of State Teodor Melescanu:

The Ministry of Foreign Affairs of Romania has learned with special interest about the unilateral measures and proposals President Bush and President Yeltsin announced on January 29 in relation to arms limitation and control. We nurture the hope that the measures to be implemented on a reciprocity basis will commit the two countries to a sustained process of cutting nuclear arsenals and of stopping the very mechanism of arming and military preparations. President Bush's initiative and President Yeltsin's prompt answer go down in the logic of such a positive course. So, we welcome above all the two countries' decision to stop producing important offensive strategic means, bombers and missiles as well as their readiness to substantially decrease the number of nuclear warheads for destabilizing arms.

In the current international situation the measures to diminish the scope of military drills with a significant strategic potential and of combat surveillance activities are of special importance, and so are the steps toward giving up the maintenance of offensive strategic arms directed against other countries and, generally, any such like measure apt to lessen the danger of a nuclear blow owing to erroneous calculations or to accident as well as to serve clearing the international climate and building up confidence and security.

Believing in the advantages of unilateral or concerted measures and in their fast implementation, the Ministry of Foreign Affairs also deems it necessary that such measures should turn into lasting facts so as to ensure due stability on a regional and general plane.

The Romanian Ministry of Foreign Affairs welcomes the Russia Federation's determination to observe the obligations it assumed under the pledges taken by the former USSR with regard to nuclear and conventional arms reduction, non-proliferation of weapons of mass destruction and delivery systems passing on to ratifying pertinent accords and adding them to the respective understandings.

The Ministry of Foreign Affairs of Romania assesses that such positive, unparalleled developments in Europe and the world over must also be backed by substantial measures of reducing arms and troops, and of building up confidence and security on this continent and throughout the world.

Wednesday, 5 February, the Interministerial Committee for the Relations of Romania with Moldova held its first sitting at the Ministry of Foreign Affairs of Romania. The committee is formed of secretaries of state in the Romanian ministries involved in cooperation projects with the Republic of Moldova, and of top executives of the National Bank of Romania, the Romanian Agency for Development and the Customs General Department. The Interministerial Committee is coordinated by Secretary of State Teodor Melescanu, in charge of Romania's relations with the Republic of Moldova.

The establishment of this committee, Mr. Melescanu said at the press conference, reveals the importance attached by the Government of Romania to the special fraternal and cooperation relationships with the Republic of Moldova on the political, economic, cultural, technical and scientific planes.

The committee intends to stimulate and support initiatives and cooperation actions between various partners in Romania and Moldova requiring the help of governmental institutions and economic agents, to encourage, through specific means, contacts between nongovernmental organisations and bodies, private companies and individuals.

As regards the decision taken by Romania and the Ukraine to establish diplomatic relations, the spokesman for the Romanian Foreign Ministry told a February 5 news conference that Romania's General Consulate in Kiev was being turned into Romania's embassy in the Ukraine, to be headed by a charge d'affaires until the accreditation of an ambassador.

Referring to the report of the U.S. Department of State on the observance of human rights in Romania, Theodor Melescanu, spokesman for the Romania Foreign Ministry told a February 5 news conference that the conclusions to all the aspects concerned were positive in general, which indirectly showed that the developments in the Romanian society were better known and understood. Favourable conclusions were drawn on the respect of personal integrity, freedom of the press and of expression, freedom of assembling, freedom of movement, civil rights, trade union rights etc.

The report also contains criticism, reflecting the way the American authorities perceive aspects of the religious life in Romania and the situation of ethnic minorities, particularly of the gypsies, Hungarians and Jews. The report considers that the influence of "nationalist," "chauvinistic" elements has increased in 1992, and it adds that the Romanian Government has publicly condemned all extremist actions.

As a preliminary conclusion, it can be said, mentioned the Foreign Ministry spokesman, that the report of the U.S. Department of State objectively presents the progresses made in Romania on the way to democracy, thus reflecting the changes in the way this country is seen in the United States.

During the weekly news conference at the Ministry of Foreign Affairs, Secretary of State Teodor Melescanu gave a few points on the 12.5 tonnes of Norwegian heavy

water imported in 1986 during Ceausescu's regime and arrived ultimately at Bombay. Upon the Norwegian side's request the Romanian side expressed its readiness to cooperate and contribute to clearing up the situation. As a matter of fact, the contacts and cooperation on the matter date back to the first months after the 1989 revolution, Mr. Melescanu said.

Between January 6 and 9 1992, a Norwegian delegation visited Bucharest to elucidate the matter together with the competent institutions in Romania. At the end of their mission the Norwegian delegation were received by top executives in the Ministry of Foreign Affairs. The Norwegian chief delegate thanked for the assistance they were given in clearing up that problem, and was appreciative of the open attitude, understanding and cooperation shown by the Romanian authorities, who put at their disposal all the information they needed for investigations. The Norwegian delegation expressed their satisfaction at the result of their cooperation with the Romanian authorities that enabled them to remake the route covered by the respective heavy water.

Positive assessments of the Romanian-Norwegian cooperation in the case were also made by other Norwegian representatives, at a political level included, stated Mr. Teodor Melescanu.

Cabinet Session Addresses Energy, Food Shortages

AU0502211392 Bucharest ROMPRES in English 2004 GMT 5 Feb 92

[Text] Bucharest ROMPRES, 5/2/1992—Victoria Palace venued Wednesday, February 5, the Romanian Government's weekly session presided over by Premier Theodor Stolojan.

Informing about the energy situation to the date, the Ministry of Industry specified there were big arrears with fuel coal imports, while the coal supply for domestic production was getting harder owing to the impracticable railway in certain areas. The executive also learned about the interruption of electric power supply to 48 commercial companies, owing to their having not paid for the consumption value. In the context the minister of industry announced that talks with the representatives of the Pitcoal Public Corporation and the trade unions in the Jiu Valley came to an end, materializing in the elaboration of a restructuring strategy of activities in the Jiu Valley basin over 1992-1995.

The session's agenda also included a draft resolution on measures for intensified spring farming operations and the application of the land law. The measures envisaged are exceptional, imposed by the imperative need to till the land over February-March.

Under the resolution, the units are empowered to give farmers a 50-per cent advance on the contracted production value from their own funds or from the credits received, without any interest rate. In view is also the land settlement in accordance with the land law till March 15.

The government was also informed about the possibility of cutting prices with a number of petroleum products following the lower price of imported crude.

At the end of the session, the governor of the National Bank, Mr. Mugur Isarescu, informed the executive about the measure for the application of the declaration on hard-currency incomes, a document controlling hard-currency incomes from commodity exports the exporting economic agents ought to indicate starting February 10, 1992.

Foreign Observers Accredited for 9 Feb Elections

AU0502183692 Bucharest ROMPRES in English 1724 GMT 5 Feb 92

[Text] Bucharest ROMPRES, 5/2/1992—Until Wednesday, February 5, about 70 foreigners, representing specialty institutions, foundations, governments of more than 20 countries, among which the United States, Britain, France, Canada, Italy, Sweden, Czechoslovakia, the Netherlands asked the Romanian Central Electoral Commission to accredit them observers to the February 9 local elections.

Members of the commission had interviews with those that are going to be accredited. The chairman of the Central Electoral Commission, Gheorghe Uglean, conducted separate interviews, Wednesday, February 5, with the representative of the Canadian Government, Harry Goldberg, and with Nellie White, representative of the International Foundation for Electoral Systems based in the United States. The guests were informed about the laws to govern the 9 February elections, the number of electors and candidates, the stages of preparations, technicalities in view of the elections. The chairman of the Central Electoral Commission showed his satisfaction at the interest aroused in the whole world by the 9 February local polls in Romania, and expressed his trust that after the elections positive reactions would exist as concerns the positive steps taken by Romania on the way to democracy.

Cornea Asks Voters To Elect 'Honest Candidates'

AU0602113192 Bucharest ROMANIA LIBERA in Romanian 1-2 Feb 92 p 1

[Doina Cornea article "Thoughts for the Voters"]

[Excerpts] Those whom we elected on 20 May 1990 have proved to be unable to govern and manage our country's assets. They have brought only shame and misfortune upon us, and they have wasted the international sympathy Romania enjoyed after December 1989. They brought us the miners' incursions that claimed dozens of dead and hundreds of wounded; the concealment of truth and the cover-up of culprits; the slandering of our

intellectual elite and our country's policy; a Constitution that does not guarantee that the basic principles of democracy will be the foundation of our society; the deterioration into economic chaos; the encouragement of dubious and uncontrollable deals; and a deterioration of our cultural life.

Those to be blamed for all this are President Ion Iliescu, the majority in the Parliament headed by Messrs. Alexandru Barladeanu (a former Stalinist) and Dan Martian (a former activist), the management of the television and, last but not least, the former Securitate, which has been renamed the SRI [Romanian Intelligence Service]. They are also to be blamed for the mistrust of foreign investors and the lack of credits and Western economic assistance, without which our economy is unable to get a proper start. [passage omitted]

The discouragement of the trend toward Romanian Bessarabia's legitimate unification with its motherland—at the most favorable international time—is nothing but a political hoax through which Mr. Iliescu is trying to protect himself with eastern help; but, above all, it is also a betrayal of national interests. [passage omitted]

The coming local, parliamentary, and presidential elections will be decisive for our country at this time of trial. At this point, we should be aware that the power is in our hands, in the hands of unimportant voters. What shall we do with this power? To whom shall we entrust it? Through these threefold elections, it lies in the power of the voting citizen to contribute—through his vote—to either the country's salvation or to dooming it to an irreversible downfall.

Those who are disappointed and refrain from casting their vote will strengthen the chance of unworthy candidates. Democracy means civic responsibility; it is a dignified and creative way to use our freedom for the benefit of the entire society. It is our duty to vote, and when we cast our vote we should forget our petty personal or group interests. [passage omitted] Let us not vote for those who have lied, slandered, and stirred hatred. [passage omitted] Let us not vote for those who try to hinder our country's reunification. [passage omitted]

In these threefold elections, let us vote for people who are free from the moral wear and tear of former activists and former Securitate members; people who are free from the temptation of abuse of power, free from cowardice and flunkyism toward those in power, and free from corruption and the temptations of money. To heal its wounds, our hard-tried nation needs people who are honest, love truth, are open to cultural values, perceptive of the difficulties faced by their fellow citizens, and who use their power to serve them in the spirit of justice and not to get rich. Romania's problem today is not so much a political or economic one, but rather a moral one.

Let us vote for the most honest candidates in the coming local elections. Let us give a chance to the united Democratic Convention. In the general elections, it lies in our power to eliminate dishonest people from Parliament. [passage omitted]

The credibility and prestige of our future power structures, the country's stability and reunification, the sympathy, trust, and economic aid on the part of the civilized countries, all these depend on our votes this year. Voting for credible people is the only way to enjoy credibility at home and abroad. Only in this way can we be helped.

International

Ghali Says No Troop Deployment, Blames Croatia

LD0502205592 Belgrade TANJUG in English 1804 GMT 5 Feb 92

["Urgent" item]

[Text] [No dateline as received] U.N. Secretary General Butrus Ghali did not recommend that U.N. peace-keeping troops be deployed in Yugoslavia at this point, for which he laid blame primarily on the Republic of Croatia.

Carrington To Meet Republic Leaders

LD0602002692 Belgrade TANJUG in English 1941 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—Conference on Yugoslavia chairman, Lord Carrington stated on arriving in Belgrade this evening that he had come to see what were the possibilities for the implementation of the peace plan of special U.N. envoy Cyrus Vance and for the resumption of the Conference on Yugoslavia.

The British diplomat told journalists that he would tomorrow travel to Sarajevo, capital of Bosnia-Hercegovina, then to Titograd, capital of Montenegro, and to Zagreb, capital of Croatia, at the end of his three-day visit to Yugoslavia.

It has unofficially been learned that Lord Carrington will try to obtain the consent of the chief protagonists in the Yugoslav crisis for the resumption of the Conference on Yugoslavia.

The Conference on Yugoslavia formally adjourned on November 5 last year, and all subsequent meetings of the leaders of the Yugoslav republics in The Hague and Brussels were only consultations on possibilities for the resumption of the peace process.

The central question at this point is whether the chief protagonists in the Yugoslav crisis will show political will for a peaceful solution of the crisis.

Lord Carrington will confer in Belgrade this evening with acting Federal defense secretary, Gen. Blagoje Adzic, and Serbian President Slobodan Milosevic. He will next meet with the presidents of Bosnia-Hercegovina, Montenegro and Croatia. The outcome of those talks will decide whether the Conference on Yugoslavia will resume and when.

Milosevic Meets Carrington

LD0602003392 Belgrade TANJUG in English 2319 GMT 5 Feb 92

[Text] Belgrade, February 5 (TANJUG)—President of the Republic of Serbia Slobodan Milosevic stated on Wednesday night during talks with Chairman of the Conference on Yugoslavia Lord Carrington that the Conference on Yugoslavia should regain the original autonomy in relation to the European Community and re- affirm the observance of the principles it promised to adhere to when taking over the mandate.

Milosevic stressed that lifting the selective economic sanctions, as an expression of lack of equality-based treatment of the Conference participants and the elements of force which runs contrary to the nature of the conference, would signficantly help a successful continuation of the conference work.

As mutually assessed, the communique said, the U.N. has through its impartial and objective role from the outset, and especially through the participation of U.N. secretary general special envoy Cyrus Vance, significantly contributed to the efforts made so far towards a peaceful resolution to the Yugoslav crisis.

For this very reason, the Republic of Serbia, said Milosevic, was interested in strengthening not only the peace, but also the political, role of the United Nations in the coming negotiations for reaching a comprehensive and just political solution.

The talks were also attended by Serbian Foreign Minister Vladislav Jovanovic, and the former and current coordinators of the Conference on Yugoslavia, Henri Wijnaendts and Jose Cutileiro, as well as the British and Portuguese ambassadors in Belgrade.

On arrival to Belgrade on Wednesday night, Lord Carrington also talked with chief of the general staff of the Yugoslav Army, Gen.- Col. Blagoje Adzic, who is the acting Yugoslav defense minister.

Adzic Meets Carrington

LD0602010192 Belgrade TANJUG in English 2133 GMT 5 Feb 92

[Text] Belgrade, February 5 (TANJUG)—Chief of staff of the Yugoslav Armed Forces, Col. Gen. Blagoje Adzic, who is acting Yugoslav defense minister, conferred on Wednesday night with Chairman of the Conference on Yugoslavia Lord Carrington on the deployment of U.N. peace forces in Yugoslavia.

The talks were also attended by the former and new envoys of the E.C. Ministerial Council ambassadors, Henri Wijnaendts and Jose Cutileiro, as announced by the Yugoslav defense ministry information service.

Lord Carrington arrived in Belgrade on Wednesday night on a three-day visit, as he told newsman on arrival, to review the possibilities for the realization of Vance's plan on sending "blue helmets" and resumption of the Conference on Yugoslavia.

Memo Sent to UN Secretary General

LD0502154292 Belgrade TANJUG in English 1405 GMT 5 Feb 92

[Text] Belgrade, February 5 (TANJUG)—The Yugoslav Government today sent a memorandum on the Yugoslav crisis to United Nations (U.N.) Secretary-General Butrus Butrus Ghali in which it expresses hope that the arrival of U.N. peace-keeping forces, at the invitation of the Yugoslav Presidency and as agreed by all sides involved in the conflict, will enable the Yugoslav nations to settle questions relating to their future life in a peaceful and democratic way.

The memorandum, which descibes the genesis of the Yugoslav crisis (cause and effect), also expresses the expectation that all countries of the world community will refrain from any activities which "threaten Yugoslavia today, but could be fatal for others as well tomorrow."

The Yugoslav government underscored that it would undertake every possible measure in order for the Yugoslav problem to be resolved in a peaceful and democratic way.

The memorandum was also sent to the president and representatives of member-countries of the U.N. Security Council, special U.N. Envoy Cyrus Vance, chairman of the Conference on Security and Cooperation in Europe (CSCE), chairman of the Yugoslavia conference Lord Carrington, president of the Council of Ministers of the European Community (E.C.) Portuguese Foreign Minister Joao de Deus Pinheiro, and the ambassadors of the United States, Russia, China, France, Great Britain, Spain and Greece to Yugoslavia.

In addition to the memorandum, which accuses certain European countries—occupation forces in Yugoslavia during the two world wars—of supporting the disintegration of Yugoslavia in an extremely inadmissible way, the Yugoslav Government sent two documented annexes to the same addresses. The annexes are entitled "information and facts of relevance for the understanding of the role of individual protagonists in the Yugoslav crisis" and "the constitutional-legal aspects of the Yugoslav crisis."

Mihajlovic Seeks Lasting Peace for Western Srem

LD0602013292 Belgrade TANJUG in English 1958 GMT 5 Feb 92

[Text] Mirkovci, February 5 (TANJUG)—President of the Yugoslav People's Army (JNA) Commission for Monitoring Ceasefire, Lt. Col. Aleksandar Mihajlovic, stated the hope on Wednesday that lasting peace would be restored in western Srem. The trust between the JNA and the Croatian para-military formations gained strength following each round of talks on establishing peace, assessed Mihajlovic after a meeting between the representatives of the JNA, the Croatian side and the E.C. observers.

The closed-door meeting was held at the badly damaged Serbian village Mirkovici, near the town of Vinkovci, in eastern Slavonija.

The Croatian side representative from Vinkovci, Josip Matic, described the meeting as very successful. He stressed that breaches of ceasefire were sporadic only, and that when this happened—the "hot lines" between the JNA and the Croatian side became active right away.

The three U.N. liaison officers were prevented from attending, because as, explained, they did not have the permission from the E.C.

A JNA press center announcement set out that the army demanded at the meeting an explanation on the latest infiltration of a Croatian terrorist group at Bezdan to the Vojvodina (Serbia) side.

"Both sides promised they would do all they could to put all the forces under their respective control and permit no one to in anyone's interest threaten that what has been attained so far," it is noted in the announcement.

The JNA representatives demanded, as set out, of the Croatian side the information about the mine fields, which the Croatian forces left behind after withdrawing from the region of western Srem.

It is believed that the next, sixth meeting of the commission be held in Vinkovci on February 12.

There were no reports on new clashes in western Slavonija on Wednesday, as the day for the most part passed peacefully also in the other battle zones.

EC Monitors Find Army Claims 'Inaccurate'

LD0602042792 Belgrade TANJUG in English 0021 GMT 6 Feb 92

[Text] Banja Luka, Bihac, Trebinje, February 5 (TANJUG)—E.C. monitor mission observers said today that inaccurate are Croatian claims that in the area of Okucani and Nova Gradiska Yugoslav Army units are fortifying their positions and pulling new forces in. The European observers toured the said areas in the region of western Slavonia, the breaking-away Yugoslav Republic of Croatia, after the Croatian side remarks that the Yugoslav Army was making its positions stronger.

The representatives for the Yugoslav People's Army Banja Luka corps and Croatia's paramilitary (irregular) formations came to terms today that in the village of Gorice, between the towns of Okucani and Nova Gradiska, be installed another "hot" telephone line so that the warring sides could more easily discuss possible disputes.

Representatives of the E.C. monitor mission talked today also in the town of Petrinja, the region of Banija, with Yugoslav Army representatives and found that one should persist in maintaining the cease-fire and in more frequent dialogues between the Yugoslav Army and the Croatian Army.

Interrepublic

Serbia, Montenegro To Form 'Common State'

LD0502200192 Belgrade TANJUG in English 1906 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—Representatives of the Yugoslav Republics of Serbia and Montenegro today agreed to form a common state "which will ensure the continuity of Yugoslavia."

The two republics were represented in today's talks by Serbian President Slobodan Milosevic, Montenegro Presidency President Momir Bulatovic, Presidency of Yugoslavia Vice President Branko Kostic (Montenegro's representative in the collective state leadership), Presidency of Yugoslavia member Borisav Jovic (Serbia's representative in the Federal Presidency), parliament presidents Aleksandar Bakocevic of Serbia and Risto Vukcevic of Montenegro, and repulican Prime Ministers Radoman Bozovic of Serbia and Milo Djukanovic of Montenegro.

The representatives of the two republics assessed that the common state should, among other things, have a common defense and foreign policy, common monetary, banking, foreign-currency, foreign trade and customs systems, common taxation principles, and common technical-technological systems.

The freedoms and rights of citizens are also to be regulated uniformly and they are to "ensure the equality of citizens in the common state."

The ranking Serbian and Montenegrin representatives agreed that the parliament presidents of the two republics immediately appoint a joint working group to draw up the fundamental principles of the constitutional order of the common state.

The fundamental principles of the constitutional order of the common state are to be discussed in the Montenegrin capital of Titograd next week, as announced.

After the European Community recognized the secessionist Yugoslav Republics of Slovenia and Croatia, Serbia proposed the creation of a new Yugoslavia, without Slovenia and Croatia.

The Republics of Macedonia and Bosnia-Hercegovina failed to respond to the invitation to attend talks on the creation of a new Yugoslavia. Macedonia, for its part, decided to withdraw its representatives in the Federal parliament, and Bosnia-Hercegovina replied that the invitation from Serbia was "late and irrelevant."

Macedonia and Bosnia-Hercegovina requested to be recognized by the European Community in December last year.

The representatives of Serbia and Montenegro set out at their meeting today that the upcoming referendum on Montenegro's political order would not prejudice future constitutional solutions.

The statement issued about today's meeting says that the "common state will be defined on the basis of the principles of equality and common interests."

Slovene Delegation Greeted in Zagreb by Tudjman

LD0602113492 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 6 Feb 92

[Text] A Slovene Government delegation was greeted on the border between the two states today by Dr. Zvonimir Separovic, minister of foreign affairs of the Republic of Croatia, and afterwards in front of the Villa Zagorje in Zagreb by Dr. Franjo Tudjman, president of the Republic of Croatia, and other Croatian officials.

After talks between the two delegations, the prime ministers of Croatia and Slovenia, Dr. Franjo Greguric and Lojze Peterle, and Dr. Zvonimir Separovic, minister of foreign affairs of Croatia, and his Slovene counterpart Dimitrij Rupel, will sign an agreement on economic and financial cooperation.

Immediately afterwards they are to sign an agreement on the establishment of diplomatic relations at the level of Ambassadors.

It is expected that at 1330 [1230 GMT] Dr. Franjo Tudjman, president of the Republic of Croatia, and Milan Kucan, president of the Presidency of the Republic of Slovenia, will also make a special statement at the Villa Zagorje in connection with the establishment of full diplomatic relations between the two states, and Croatian Radio will cover this live on the first program.

Federal

Government Urges UN Peacekeeping Deployment

LD0502193492 Belgrade TANJUG in English 1754 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—The Yugoslav Government today assessed that a prompt decision on the deployment of U.N. peace-keeping troops in Yugoslavia was necessary in the interest of the maintaining of a stable and lasting peace and the creating of conditions for the resumption of the peace conference on Yugoslavia and a democratic solution of the Yugoslav crisis.

A statement issued by the Federal Information Secretariat today said that the Federal Government set out that, unless the U.N. peace-keeping troops were sent as urgently as possible, there existed a danger of a renewed fanning of the war in Croatia and its spreading to the Republic of Bosnia-Hercegovina and other parts of the country. The Yugoslav Government said that an immense responsibility for such a turn of events would rest with those who oppose the peace plan of special U.N. envoy Cyrus Vance.

The Yugoslav Government said it, itself, would do everything for the Vance plan to be implemented, and that it would take all necessary measures for the accomodation of the U.N. forces and their unimpeded and secure stay in Yugoslavia.

The Yugoslav Government today defined a programme of measures for the implementation of the 1992 economic policy and the solution of acute economic problems.

The programme underscores the need for closer cooperation between the Federal Government and those Yugoslav republics which are showing interest in together seeking solutions to the many acute economic problems in the transitional period, i.e., until a solution to the Yugoslav crisis is reached.

The Yugoslav Government was informed about the results of thec CSCE ministerial meeting in Prague and the Non-aligned ministerial meeting in Larnaca.

Assembly Approves Bill on States' Sovereignty

LD0502202792 Belgrade TANJUG in English 1737 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—The Domestic Policy and National Defense Committees of the Assembly of Yugoslavia Federal Chamber approved at a joint session today a bill on self-determination, which, if passed, will enable all Yugoslav nations to exercise the right to self-determination and form independent and sovereign states by peaceful and democratic means.

The bill calls for the continuity of Yugoslavia and its transformation in a state community within new borders, a community which will be constituted by the nations and citizens who wish to continue living in a common state.

The bill regulates territorial demarcation and the division of state property and debts, defines the role of the Federal legislature, and the protection of what is left of Yugoslavia against secession.

The secessionist Yugoslav Republics of Slovenia and Croatia have actually already broken away from Yugoslavia. The Serbian people in Croatia, which has formed the Republic of Serbian Krajina within the administrative borders of Croatia, opposes the secessionism of the Croatian authorities and wishes to remain part of Yugoslavia.

The bill on self-determination, proposed by the Committee for Socio-Political Relations, is to be passed by summary proceedings in the middle of the month.

SFRY Signatories Convention To Meet 13 Feb

LD0602121992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1117 GMT 6 Feb 92

[Text] Belgrade, 6 Feb (Tanjug)—The coordinating body of the Convention on Yugoslavia announced today that it has scheduled for 13 February in Belgrade a meeting of all the signatories to the Convention on Yugoslavia.

The statement adds that the coordinating body supports the draft law on the realization of the rights of nations to self-determination, and stresses that this law should be adopted by the SFRY Assembly's Federal Chamber in accordance with urgent procedure.

Statistics on 1991 Foreign Trade Published

92BA0414D Sarajevo OSLOBODJENJE in Serbo-Croatian 11 Jan 92 p 3

[Article by "D.C.": "Exports Fell 13.7 Percent"—first paragraph is OSLOBODJENJE introduction]

[Text] During last year, Yugoslav exports were valued at $13.8 billion, while imports came to $14.7 billion. Statisticians say that the situation is bad, perhaps even critical.

Belgrade, 13 Jan—Last year's results for the exchange of goods with foreign countries are decidedly unfavorable, and the trend is towards a continued worsening. These results are only one more indication that nothing good can be expected under wartime conditions in terms of economic trends. The balance in short: bad, even critical, according to the assessment at today's press conference by representatives of the Federal Institute of Statistics.

Yugoslav exports last year were valued at $13.8 billion, which is 13.7 percent less than the results from 1990. At the same time, imports came to $14.7 billion, which is also less than the previous year, to the tune of 18.2 percent. The negative foreign trade balance for last year amounts to $967 million. The significance of these results in relation to recent times is best shown by the fact that last year's exports were at the level achieved in 1977, while imports are equal to those in 1983.

The December export-import balance leads the list of negative indicators, even though otherwise, under normal circumstances, that month is one of the most positive. During the last month of last year, goods valued at around $620 million were exported, which is 41.6 percent less than the results from December 1990. During that same month, goods valued at $747 million were imported, which is 43.2 percent less than that achieved the previous December.

The major drop in foreign trade began back in August, when the country's political and military crisis began to escalate. There were also the well-known problems and disruptions in transportation. In addition, the final results reflected the discontinuation of clearing transactions with the countries of East Europe.

Although the presented data are incomplete since the Federal Institute of Statistics has not had complete data from Croatia and Slovenia since mid-September and has instead bandied about estimates, it would be difficult for the results to be better by including them. The federal statisticians have only received data from their colleagues at the Institute of the Republic of Slovenia, according to which that republic exported goods last year valued at $4.8 billion and imported goods valued at $5 billion.

Methods To Curb Inflation Detailed

LD0602041192 Belgrade TANJUG in English 2055 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—Yugoslavia's inflation can be curbed on condition that the integration and cooperation of economic policies on Yugoslavia's economic territory be secured, as Deputy Federal Trade Secretary Dr. Branko Maricic told TANJUG's reporter today.

Maricic specified that this necessitates in a single currency and credit-monetary policy, an open market, the freedom of economic subject, as well as the moderate balancing of the Federal and republican regulations. Maricic maintains that it will be clear by the end of March whether inflation will continue rising at such speed, since by then, the influence of the dinar's devaluation and the results of the republican measures and their coordination with Federal regulations should be known.

Maricic assesses that inflation reached 25 percent in January and that it will be greater in February because of the devaluation. Maricic believes that the 400-percent devaluation of the dinar is 2.3 percent greater than the increase of retail pricese. The reason for this is the shortage of hard currency on the free market. Maricic maintains that the prices will be curbed also by the securing of adequate competition of imported goods, which would also prevent dislocation on the market. This is why at least 1.6 billion dollars of goods should be imported this year, without taking Slovenia and Croatia into account.

Maricic assesses that the Serbian Government's measures are positive only if they are short-term and if they are accompanied by other measures of economic reform. These measures imply the further reform of property into private

and mixed property. Thanks to private firms, the market is better supplied now, while last year, their influence was more felt on lowering prices.

Bosnia-Hercegovina

Situation in Mostar 'Uncertain'

AU0502171292 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 5 Feb 92

[Bosko Santic report]

[Text] Instead of a denouement, which was expected to come after last night's agreement between military and civilian authorities, the situation in Mostar is even more complex and uncertain today. Not only were the barricades along the road toward Citluk and Siroki Brijeg not removed, but some new ones appeared during the night. People in the local communities of Rodoc and Jasenice in close vicinity to the airport have blocked the Macadam road leading to Hum hill, where members of the Yugoslav People's Army are stationed. Therefore, the very moment the agreement was reached for civilian and military patrols to control all roads together, it was violated.

The Communal Committee of the Serbian Democratic Party of Mostar has voiced its opinion on this occasion today. It pointed out in its announcement that this is one more thoughtless attack against the peace and life in this joint city. We consider everything that has been happening in the last 48 hours to be an insane provocation that irritates members of the Yugoslav People's Army even more and we still consider its formations to be the only legal ones on this territory. How would it look if the same blockade appeared on the other side, as a reply to these barricades? That would certainly completely paralyze life in Mostar. How far are we going to get if these dealings that harm us alone continue? This is being done at a moment when there is an excellent possibility for a peaceful and democratic denouement of the total crisis that we have found ourselves in, it is said in the announcement.

Authorities, Army Hold Talks

AU0502215992 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 5 Feb 92

[Omer Vatric report]

[Text] I am reporting from the Mostar Garrison Command where talks on the blockades occurring in some parts of Mostar between representatives of the Army and the republican and city authorities, which lasted several hours, have just ended. As we have learned here, these barricades are still standing. Participating in the talks held here were Dr. Nikola Koljevic, member of the Presidency; Jerko Doko, minister of national defense of Bosnia-Hercegovina; Colonel Dusan Loncar, head of the Uzice Corps Headquarters; Colonel Ilija Kovacevic, assistant commander of the Corps; Lieutenant Slobodan Pudar, assistant commander of the Mostar Garrison; and Mostar Mayor Milivoj Gagro. The talks were held behind closed doors and lasted several hours. After the talks, participants talked to journalists.

The news conference has just ended and the participants of the talks have just left for another meeting. In the mayor's office, they are to meet with representatives of the local communities, the very local communities of Balinovac, Krusevo, Slipcici, Jasenica, and Rodoc where barricades have been set. After these talks, agreement with the citizens will be reached about which of the participants is going to address the citizens on the barricades in the local communities. They hope that the problem will thereby be solved and that the citizens will accept what the officials have agreed upon here.

Since I did not have an opportunity to put together a report, here is briefly what I have written down in my notebook about what has been agreed here:

Mr. Koljevic said that they proceeded from a joint interest that the truce must be kept and a stable peace built on that basis. We must preserve confidence between the Serbian and Croatian peoples, Mr. Koljevic said. He stated that the possibilities of the media calming down and of party work on relieving the tension were also discussed at the meeting held this evening. By party work it is meant above all the party activity of the Serbian Democratic Party and the Croatian Democratic Community, and, of course, of the Party of Democratic Action and other political parties. Mr. Koljevic said that they also discussed the return of the refugees and claimed that this would contribute greatly to calming down the situation and to relieving tension among citizens. The prisoner exchange and so on were also discussed.

Col. Dusan Loncar made the citizens of the local commune of Jasenica very happy today by promising that mines will be removed from the arable land in some parts of their local communities, that soldiers will not move around in a disorganized fashion in Jasenica, and that the flag of the Croatian Democratic Community that was taken away from them a month ago will be given back. Col. Loncar said that everything that they had promised will be fulfilled, that he expects greater activity by the Government of Bosnia-Hercegovina and greater coordination with Mostar authorities about the use of roads, that they are going to announce the movement of the Army columns, and so on. In a word, everybody is trying to keep peace through negotiations and not contribute to further tension.

Mr. Jerko Doko, minister of national defense, said that this day was much nearer to peace than to war. In that respect, he mentioned today's talks with General Adzic, pointing out that possibilities will be opened in the coming days for more frequent talks with the General Staff about the position and tasks of the Army in Bosnia-Hercegovina.

Koljevic also said that according to the level of openness and concreteness, this was the kind of day after which we may expect a completely different course to be followed.

We hope that this will be the case and that the talks at the mayor's office that will begin now will be fruitful and that the person appointed there will manage to calm down the citizens and relieve the tension in the city, so that everybody will resume regular activities.

Defense Minister Doko Optimistic

LD0602011192 Belgrade TANJUG in English 2208 GMT 5 Feb 92

[Text] Mostar, Feb 5 (TANJUG)—After his meeting with Chief of the Yugoslav People's Army (JNA) General Headquarters and Acting Defence Minister Gen. Col. Blagoje Adzic today, Defence Minister of the Yugoslav Republic of Bosnia-Hercegovina Jerko Doko said this evening that he viewed "the future cooperation between my Ministry and the Federal defence ministry with optimism and confidence".

Doko said they agreed that the republican and Federal ministries do their best so that the problems in their jurisdiction be resolved.

Agreeement was reached in Mostar today on joint activities of the civilian and military authorities in order to ease the tension created after barricades were erected in the suburb of this city.

The agreement was reached by Bosnia-Hercegovina Presidency member Nikola Koljevic, Doko and the representatives of the JNA corps covering this region, Colonel Dusan Loncar and Ilija Kovacevic.

The barricades on the roads leading to Citluk and Siroki Brijeg, towns near Mostar, were set up yesterday by citizens, mostly of Croatian nationality, who demanded of the JNA to guarantee it would not use this part of the highway to transport people, weaponry and military equipment.

A large number of JNA reserve troops were transferred to protect the Mostar military airport during the conflicts in the Dubrovnik region. The vicinity of Mostar and Citluk are populated mostly by Croats who are against the stationing of the army in this area.

Serbs Begin To Put Up Barricades

AU0602083492 Belgrade Radio Beograd Network in Serbo-Croatian 0300 GMT 6 Feb 92

[Text] A large number of residents of the town of Salakovac, about 10 kilometers from Mostar, put up barricades at about 2200 [2100 GMT] last night to block the highway between Mostar and Sarajevo. This created a long column of vehicles on both sides of the barricades.

It is assumed that the erection of barricades in Salakovac, which is populated mainly by Serbs, was a response to the blockade by Croatian nationalists of the roads from Mostar to Citluk and Siroki Brijeg and in the vicinity of Mostar airport.

These barricades were set up while Nikola Koljevic [member of the Bosnia-Hercegovina Presidency] and Jerko Doko, minister of defense of Bosnia-Hercegovina, were seeking a solution with Army representatives to ensure the removal of the barricades that were put up yesterday.

Serbian, Croatian Reasons for Blockade

LD0602094192 Belgrade TANJUG Domestic Service in Serbo-Croatian 0815 GMT 6 Feb 92

[Text] Mostar, 6 Feb (TANJUG)—By last night roads to Mostar have been blocked both from the north and from the west.

At 2200 [2100 GMT] last night the main Mostar-Sarajevo road was blocked by Serbs at the village of Salakovac. This is a response to the barricades which were erected two days ago by citizens of Croatian nationality on roads leading to Citluk and Siroki Brijeg, on the western outskirts of Mostar.

The Croats have given their reason for blocking the roads leading to western Hercegovina as dissatisfaction with the presence and behavior of the Yugoslav Peoples' Army reservists, while the Serbs say the condition for the removal of obstacles from the road to Sarajevo is the removal of "the Croatian barricades."

Late last night efforts by Bosnia-Hercegovina Presidency member Dr Nikola Koljevic, Bosnia-Hercegovina National Defense Minister Jerko Doko, and a representative of the Uzice Corps Headquarters, to get citizens of the local communities of Balinovac, Krusevo, and Slipcici to remove the barricades ended in failure.

So, the largest city in Hercegovina, in addition to its previously seriously impaired political-security situation, is presently also suffering great economic damage as a result of the road blocks.

Izetbegovic: Referendum Improves Representation

LD0502170592 Belgrade TANJUG in English 1604 GMT 5 Feb 92

[Text] Sarajevo, Feb 5 (TANJUG)—President of the Presidency of the Yugoslav Republic of Bosnia-Hercegovina Alija Izetbegovic said today that the Serbian Democratic Party (SDS) in Bosnia-Hercegovina did not represent the whole Serbian people in the Republic.

For this reason, he added, "a referendum on Bosnia-Hercegovina's independence and sovereignty can be held, because the majority of Bosnia-Hercegovina's three peoples will vote."

Bosnia-Hercegovina's Prime Minister Jure Pelivan told a news conference, held by the referendum organization committee, that he believed Croats in Bosnia-Hercegovina would go to the referendum, regardless of whether the question on the ballots will be changed, which is what the Croatian Democratic Union (HDZ) requested.

Irfan Ajanovic and Osman Brka, ranking representatives of the Party of Democratic Action (SDA), today reaffirmed that the referendum would be held as planned, on February 29 and March 1, despite the fact that the consensus of the three peoples had not been secured.

Bosnia-Hercegovina's Presidency member Nikola Koljevic, Deputy Prime Minister Miodrag Simovic and parliament member Petko Cancar today described as a "manipulation"

their appointment as members of the referendum organization committee, bearing in mind Serbs' clear stand on the referendum.

The Moslem and Croat representatives in the republican parliament on January 25 decided that a refereundum on Bosnia-Herzegovina's independence be held on February 29 and March 1, despite the opposition of the Serb representatives in the republican parliament.

The decision on the referendum contradicts Bosnia-Hercegovina's Constitution. Under the Constitution, the Moslem, Serbian and Croatian nations are the Republic's constituent peoples, and the decisions crucial for any of the three peoples and the Republic as a whole can be taken only by consensus.

Moslems account for 43.77 percent, Serbs for 31.46 and Croats for 17.34 percent of Bosnia-Hercegovina's population. The Republic is governed by the three national parties—the Party of Democratic Action, the Serbian Democratic Party and the Croatian Democratic Union.

The Serbian people in Bosnia-Hercegovina voted to remain in Yugoslavia in a referendum on November 9 and 10, 1991. Serb representatives in the republican organs of authority now insist on a political agreement on Bosnia-Hercegovina's internal organization.

Representatives of the HDZ in Bosnia-Hercegovina maintain that, before the referendum is held, an agreement should be reached on the republic's intenral organization and the sovereignty secured for the Croatian people in the Republic.

Croatia

No Further Concessions To UN Forces

LD0502164492 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 5 Feb 92

[Excerpt] Croatia is not ready to make any additional concessions as regards the deployment of UN peace-keeping forces, it was stated at a news conference of the Croatian Government today given by Prime Minister Franjo Greguric and Vice Premiers Milan Ramljak, Mate Granic, and Zdravko Tomac. Journalists also heard that the government fulfilled half [words indistinct] that it took over, and now it should, in line with confidence placed in it by the Republican President and the Croatian Assembly, finalize its work. Andjelko Perincic reports:

[Perincic] As regards the deployment of the UN peace-keeping forces, their task is to secure demilitarization of the occupied Croatian areas and to create conditions for the establishment of the system of the Croatian law-governed state in all these areas, because nobody seriously takes into consideration any questioning of the borders. The peace-keeping forces can help, but the continuation of rebel authorities in the so-called Krajinas is out of the question, because a law-governed state cannot be set up by those who committed atrocities in Skabrnja, who perpetrated genocide in Dalj and Cetekovac, who burned people's houses.

On the other hand, Croatia does not question deployment of the peace-keeping forces, if it is a matter of trust concerning the fearful or allegedly threatened Serbian population [as heard]. The fact is, however, that the Croatian police have to guard Croatian borders and secure Croatia's sovereignty within them, and until a law-governed state has been established it can do so together with the peace-keeping forces.

There is a sufficient number of Serbs in Croatia who did not take part in the war and could professionally discharge any state duties, particularly police duties, in the currently occupied part of Croatia.

As regards the Serbian aggression which has not yet stopped in Croatia, it was said that the occupiers' words should not be trusted, it is better to observe their deeds. Therefore, following international recognition by Russia, Serbia will be internationally isolated and will have no right to preserve the continuity of former Yugoslavia; hence, Serbia plans to occupy at least Montenegro and Bosnia-Hercegovina because Macedonia is slowly getting out of its control. It has given up Croatia, and one of the last moves was the provocation of the Bosnia-Hercegovina Croats, to show that they, aided by Croatia, are attacking what was once called the Yugoslav army.

It was announced at the newes conference that, according to details collated so far, on our side more than 3,200 citizens were killed in the war, and approximately 16,850 sustained injuries. Of course, the details are not final. The number of refugees has been decreasing because some are returning home and the number at the moment stands at approximately 600,000, but what is worrying is the Croatian exodus from Vojvodina. [passage omitted]

Separovic on Conditional CSFR Recognition

AU0502163892 Prague LIDOVE NOVINY in Czech 4 Feb 92 p 5

[Interview with Croatian Foreign Minister Zvonimir Separovic by Petr Kypr; place and date not given: "Changes on the Map - Which Way to Europe?"]

[Excerpt] [passage omitted] [Kypr] Who will inherit what from Yugoslavia?

[Separovic] There are things to be inherited and divided: Embassies all over the world, federal property, the Army.... Of course, we are prepared to assume the responsibility for repaying our share of Yugoslavia's debts. Slovenia has tried in vain to settle accounts for a long time. Obviously, it will be necessary to establish a commission dealing with the problems of succession. In the countries of the former Soviet Union, they have already begun to deal with these problems.

In conclusion, I would like to comment on something you have not asked about. We are very happy that Czechoslovakia has recognized our country. To us, it is very important. We were unpleasantly surprised, however, that, in contrast to Slovenia, you have tied your recognition to an impossible condition stating that the problem of minorities must be solved. It would be the same as if we had asked Czechoslovakia whether Slovaks, Moravians, or Hungarians

have all their rights guaranteed in your country. Czechoslovakia proceeded in this matter in the same way as France or Great Britain did. They have their reasons. You, however, have a history of good political and economic relations with Croatia. Except for a short and sad episode in the Stalinist era, I cannot recall a single conflict between us. The contrary is true. Our people studied in your country. There are large Czech and Slovak minorities in our country. We are very close. The entire history of our relations is clean and positive. Today, Czechoslovakia behaves toward us in a manner worse than Germany, Austria, Poland, Hungary.... It hurts our feelings. In Croatia, this action is being understood as less than a friendly gesture. Of course, we will establish diplomatic relations, sooner or later. One day Czechoslovakia will feel sorry about the fact that it distanced itself and discriminated. Some time ago I spoke with Foreign Minister Dienstbier on this subject, yet it happened. It is a pity. I hope that this is only a temporary problem. We had the same situation in our relations with Holland. The queen informed us about Holland's wish to establish diplomatic relations immediately, disregarding the dealings of the Arbitration Commission and problems of minorities. We hope that Minister Dienstbier will not visit Ljubljana without visiting Zagreb as well. We would understand it as another injustice and an inappropriate gesture toward Croatia. If President Cossiga and Minister Mock were able to visit Ljubljana and Zagreb on the same day, we do not see why Minister Dienstbier cannot come to our country on the same day. If Mr. Dienstbier does not come to us, then the Croatian people will be highly disappointed and, above all, your countrymen will feel sorry about it. We are prepared to cooperate and we are open to discussions on the shipment of crude oil through our territory and the transportation of other goods. Our economies can complement one another. Talks have already begun, and it would serve no purpose to spoil them because of such petty things on the political level. I hope that Minister Dienstbier will come to our country. We will welcome him cordially.

Tomac, Gregoric Reject Serbian Territory Claims

LD0602035192 Belgrade TANJUG in English 1932 GMT 5 Feb 92

[Text] Zagreb, February 5 (TANJUG)—Two leading Croatian politicians have clearly let it be known on Wednesday that this secessionist Yugoslav Republic has no intention of giving up the territories inhabited by the Serb population, territories to which United Nations peace forces are to be sent soon.

Croatian Vice Premier Zdravko Tomac told a press conference in Zagerb that with the arrival of the "Blue Helmets" these regions would by no means cease to be part of Croatia.

In his view, these regions inhabited mostly by Serbs can even be de-militarized for a certain period of time, a mixed authority may be established in them, but it must be specified that "this is part of Croatia and that the peacekeeping force was arriving only so that the Yugoslav Army could depart, those forced to leave return and all this be resolved in a peaceful manner."

In response to the Croatian secession, the Serbs in parts of Croatia where they make up the majority population, proclaimed the Republic of Serbian Krajina. The people of Krajina decided in a referendum to remain in Yugoslavia.

Croatian Premier Franjo Gregoric also told newsmen that "no one had the right to seek or expect Croatia to renounce authority" in the said regions.

"I believe that Vance did not even request this," said Gregoric, alluding to the plan for deploying the U.N. peace forces in Yugoslavia, drawn up by the Cyrus Vance, U.N. secretary general special envoy.

Speaking to journalists, Tomac stated Croatia's readiness to do all that it took on itself under the law on minority rights, but not to make "further concessions."

The arbitration commission of the Conference on Yugoslavia, whose task it was to determine which of the Yugoslav Republics met the requirements for international recognition, failed to give the go-ahead to Croatia, demanding it amend the law on minorities rights, which pertained primarily to the Serb population.

Croatia was asked to legalize "special status" for the Serbian people, as provided by the draft convention of The Hague Conference on Yugoslavia which five of the six Yugoslav Republics accepted on November 4 (excepting Serbia).

The European Community, as well as a larger number of other countries, have recognized Croatia, setting forth the condition that it amend the constitutional law, adopted at the "twelve's" insistence. Zagreb, however, failed to do this.

According to the reports of the Spanish press on Tuesday, the E.C. ministers voiced in Brussels on Monday dissatisfaction "with the fact that the Croatian authorties were late in presenting the plan and guarantees for Serbs in Croatia."

Human Rights, Law-Governed State Reviewed 4 Feb

LD0502211292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1359 GMT 5 Feb 92

[Text] Zagreb, 5 Feb (TANJUG)—The Government of the Republic of Croatia discussed reports on the current situation and the problems associated with the functioning of a law-governed state, as well as draft measures to strengthen constitutionality and legality in the Republic of Croatia. Basic human rights, constitutionality, and legality were under threat especially in the areas where military operations were conducted and remain under threat in occupied areas and in the military operation areas, says a report on the session published today.

During the session, which was chaired by republican president Dr. Franjo Tudjman, the government also proposed the measures to eliminate frequent violations of human rights and freedoms and threats to property. Among other things, the conclusions from the session stress that the government denounces any threats to democratic political institutions and any violation of the principles of a law-governed state, and especially the violation of fundamental rights and human and citizen freedoms regardless of any national, religious, or any other membership.

Appropriate ministries will step up the monitoring of the manner in which any new regulation is applied, ensuring a uniform treatment and application of the regulations. Frequent cases of threats posed to social, state, and private property outside occupied territories and outside military operation areas were noted.

It was decided that the Internal Affairs Ministry should take action to identify the perpetrators of criminal offenses. The Defense Ministry will adopt regulations on the discipline needed in Croatian Army units, including regulations on complying with civilian authorities' decisions, on strict restrictions on carrying weapons, and on troop movement outside the barracks and areas of fighting.

The Croatian Government has asked all ministries to analyze their experience in applying regulations having the force of law and suggest changes and amendments or withdrawal of some regulations, the statement concludes.

Macedonia

Militia Occupies Albanian, Greek Border Section

AU0502161492 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 5 Feb 92

[Text] Every attempt to transport military technical material and equipment in Macedonia was stopped today. An incident was prevented near Kumanovo this morning when the militia stopped a convoy of seven Army vehicles. Special units of the Ministry of Internal Affairs of Macedonia have occupied certain parts of the border with Greece and Albania. Here is Boris Djordjioski from Skopje:

[Begin Djordjioski recording] Last night the Macedonian Government made a decision on the way to regulate relations with the Army in the sphere of transport. Without a special permit from the Ministry of Interior Affairs, Army vehicles are banned from leaving and entering Macedonia. Complete militia control on the movement of Army vehicles has to all intents and purposes been established for the purpose, as it has been stressed, of stopping the removal of military technical material and equipment from Macedonia.

The militia stopped a column of seven vehicles near Kumanovo this morning. However, in order to avoid an incident with 20 armed soldiers, the column was let through and it continued on its way to Serbia. The militia stopped eight trailers near Kicevo and they were returned. The same happened to a column that had set off last night from the Goce Delcev barracks in Skopje and two trailers were also stopped on the very outskirts of Skopje.

The militia has obviously received reinforcements. However, it is being claimed here that this is not a question of the blockade of the barracks but attempts to stop any further transportation of military equipment.

We have learned that the command of the Third Army District in Skopje has decided to temporarily stop transportation and will have talks today with representatives of the Macedonian Government.

It is being pointed out and claimed in Skopje that most of the military technical material and equipment has already been taken out of Macedonia. The removal of the main radar system from the Petrovec airport has effected both military and civilian air traffic.

The Macedonian Government is appealing to citizens to preserve peace and avoid all possible and particularly, as it says, artificially created incidents. Special units of the Ministry of Internal Affairs of Macedonia have been put on the highest level of alert. Special units of the militia of Macedonia have already occupied some parts of the border with Greece and Albania. [end recording]

Serbia

NATO Assembly Delegation Visits Kosovo-Metohija

LD0602034292 Belgrade TANJUG in English 1723 GMT 5 Feb 92

[Text] Pristina, Feb 5 (TANJUG)—Head of the NATO Assembly delegation Javier Ruperez said in Pristina today that the delegation was visiting Kosovo and Metohija in order to get information about the facts without prejudice, and not to judge anyone.

The 10-member NATO delegation, which is part of the subcommission for the CSCE, obtained information about the state of human rights in Serbia's southern province Kosovo and Metohija. They met with the representatives of political organs, parties and associations which rally Serbs and Turks in the province.

Ruperez was informed that the leaders of the ethnic Albanians' political parites, although invited, refused to attend the meeting. Provincial Finance Secretary Milos Simovic told the delegation that the ethnic Albanians constituted the majority of Kosovo and Metohija's population, after Serbs and Montenegrins massively moved from the province in the post-war period.

According to the 1981 census, Kosovo and Metohija has 1.2 million ethnic Albanians who are a national minority in Yugoslavia. No fresh figures are available, since the ethnic Albanians for political reasons boycotted the 1991 regular census in Yugoslavia. Simovic said that the Albanian national minority enjoyed all rights, but that their objective was to seize this part of the Yugoslav territory and join it to neighbouring Albania. Ethnic Albanians enjoy by far greater rights than envisaged in the documents of the UN General Assembly, relating to the minorities.

Serbia's new Constitution, adopted in 1990, has established statehood on the entire republican territory and restored public order and peace. Ethnic Albanians regard this as an attack against themselves, and refuse to pay tax, public utility expenses and other state duties, Simovic set out.

Babic Rejection of UN Plan Criticized

LD0602010592 Belgrade TANJUG in English 1946 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—The Yugoslav Republics of Serbia and Montenegro will be the core of a new common state, as Serbian Assembly President Aleksandar Bakocevic told a meeting of the ruling Serbian Socialist

Party (SPS), organized by the SPS Committee of the Belgrade municipality of Savski Venac.

Bakocevic assessed as very successful the talks between the leaderships of Serbia and Montenegro today, because a full accord was reached for the formation of a common state which would maintain Yugoslavia's continuity.

Bakocevic described the talks as a big step towards the resolution of the Yugoslav crisis, but also as an opened invitation to everybody who wants to join the Yugoslav option.

There is not much reason for pesimism now that an accord is reached at the highest state level for the most important task, that is to establish peace in Yugoslavia, as Bakocevic set out. He said he was confident the ways for the resolution of the Yugoslav crisis would produce good results. Bakocevic said that Milan Babic's refusal to accept the UN peace plan was the commitment to war, new victims and destruction.

Babic is the president of the Republic of Serb Krajina which has been formed within Croatia's administrative borders. It is strange that Babic is rejecting the peace plan now that Krajina is liberated and the Serbian people is in power, Bakocevic set out. "The Blue Helmets" are not occupation troops, but the guarantee for the safety of the Serbian people, he concluded.

Babic Fails To Address Belgrade Support Rally

LD0602032792 Belgrade TANJUG in English 2107 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—Over 2,000 people, mostly followers of the right-wing Serbian National Renewal Party, today expressed their support of President of the Republic of Serbian Krajina Milan Babic at a meeting in Belgrade.

As opposed to the Yugoslav state Presidency, which fully supports the peace plan of UN secretary general special envoy Cyrus Vance, Babic expressed at the recent three-day Presidency session his disagreement with what he considers the plan's insufficient guarantee to protect the Serbian people in the Republic of Serbian Krajina.

Although it was announced he would address the meeting held on Belgrade's main square, Milan Babic failed to show up. Minister of the Krajina Government Petar Stikovac said the government was not against the "Blue Helmets" but that it demanded that "they don't reduce us to a national minority as the peace plan anticipates".

Leader of the Serbian National Renewal Mirko Jovic said that his party "will no longer tolerate the sale of Krajina". Jovic let the European Community know that there will not be peace in these lands until the Serbs are given the right to self- determination.

Bozovic Rejects Aiding Local Leaders' Fights

LD0502200992 Belgrade TANJUG in English 1810 GMT 5 Feb 92

[Text] Titograd, Feb 5 (TANJUG)—"Serbia is not ready to encourage and help wars of any local leaders, including the war of Milan Babic, which are outside the interests of the whole Serbian people and it as a republic," Prime Minister of the Yugoslav Republic of Serbia Dr Radoman Bozovic said for today's issue of the Titograd daily POBJEDA.

The Serbian Government is ready, as it has done so far, to unselfishly help the Serbian people in the Krajinas and share their fate in every way and every form. "However, it is not ready nor is it willing to encourage someone's private war," Bozovic underscored.

Pointing out that he had stated these stands during the three-day session of the Yugoslav state Presidency, the Serbian prime minister assessed as speculation Babic's attempt to present this "as if he said that Serbia will not economically help Krajina". Serbia, I am conviced, Dr Radoman Bozovic added, will not accept the option where an individual in it, or in the Krajinas, provokes war to feed his amibitions.

During the latest session of the Yugoslav state Presidency, president of the Republic of Serb Krajina, proclaimed in the administrative borders of Croatia, Dr Milan Babic disputed the peace plan of U.N. secretary general's special envoy Cyrus Vance, saying that the arrival of the "Blue Helmets" and their deployment as envisaged, does not guarantee Serbs in Croatia total security. The Presidency supported Vance's plan fully.

The people in the war, imposed by the Croatian fascist authorities. have suffered human loses, destruction, and have been forced to leave their homes and therefore they want a just peace and not war. But it is also evident that war brings political affirmation to some people and opens room for numerous speculations and as a result they do not see the interest in the establishment of peace, Bozovic concluded.

Croatian Territorial Division Moves Criticized

LD0502172292 Belgrade TANJUG in English 1537 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—The government of the secessionist Republic of Croatia is trying, under a proposed territorial division of Croatia into 17 districts, to turn "Serbs in these districts into a minority population," the Belgrade daily POLITIKA writes today.

The daily recalls that now, "Serbs are an absolute majority in eleven municipalities which are territorially linked and cover a full seven thousand square kilometers, while Serbs account for one half of the population in several other municipalities." Serbs, in the territory of Croatia where they are a majority population, have proclaimed the Republic of Serb Krajina, opting in favor of remaining in Yugoslavia and not for secession as Croatia has done.

The article sets out that "the predictions of those who claim that the Serbian people in Croatia will never be accepted as equal by the present Croatian regime have come true."

The Croatian regime "will not voluntarily fulfill the obligation it promised Europe on guaranteeing the autonomy to Serbs in this Republic which should have been done at the level of region," the daily warns.

The inclusion of villages with majority Serb populations inside the districts where the majority are Croats "indicates and confirms a complete lack of readiness on the part of the present Croatian authorities to establish any kind of democratic relationship im good faith with the Serbian people living in this Republiic," the daily underscores.

The proposal of founding districts has been met with "sharp criticisn in Istria", the daily notes, explaining that the Adriatic Peninsula expressed "bitterness after the Croatian Government proposed that Pazin become the capital of the district and not the present center, Pula, as well as that the district be called 'District of Pazin' and not 'District of Pula'". Pazin, the daily further elaborated, "is the only city in Istria where the ruling Croatian Democratic Union (HDZ) has greater cliout, while in other Istrian municipalities the political role of the HDZ is marginal".

The population of Istria greatly support the Istrian Democratic Union, as POLITIKA writes, which urges that Istria become an inter-state type of region. The greater part of Istria is in Croatia and a smaller part is in the secessionist Yugoslav Republic of Slovenia, while the population of the Peninsula, which also includes a great number of members of the Italian national minority, is against the administrative division of Istria and is demanding an agreement between Italy, Slovemia and Croatia.

Albanian Leader Fears Kosovo-Metohija Civil War

LD0602033792 Belgrade TANJUG in English 1111 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—Zenun Qelaj, secretary of the Committee for the Protection of the Human Rights of the Ethnic Albanians in the Serbian Province of Kosovo-Metohija, fears an outbreak of war in the province.

In an interview given to the Belgrade daily BORBA and carried by the daily today, Qelaj says that "ethnic Albanians are becoming growingly strengthened in their conviction that life together with the Serbs is impossible" and growingly often criticize their political parties of "pursuing the wrong policy" by agreeing to talks with Serbian authorities.

"I believe that at the core of our differences with the Serbian authorities lies the fact that they treat the Albanians as an ethnic minority," Qelaj says and claims that there are "about three million Albanians" in Yugoslavia.

Ethnic Albanians in Yugoslavia, whom the existing Constitution defines as an ethnic minority, boycotted the census conducted in Yugoslavia last year, so that there is no reliable data about their actual number in the country.

The Federal statistical office figures show that there are about two million ethnic Albanians in the entire territory of Yugoslavia, 1.6 million of whom in Kosovo-Metohija.

The political organizations of ethnic Albanians in Kosovo-Metohija are endeawouring to separate the territory of the province from the Republic of Serbia, of which it is a constituent part, and annex it to neighbouring Albania.

International documents do not give ethnic minorities the right to self-determination and secession.

State Administration Staff Cut 46.5 Percent

LD0602040592 Belgrade TANJUG in English 1850 GMT 5 Feb 92

[Text] Belgrade, Feb 5 (TANJUG)—The Government of the Yugoslav Republic of Serbia has radically cut the number of employees in the state administration. Today's government session, which was chaired by Serbian Prime Minister Radoman Bozovic, adopted a decision which limits the number of employees in the ministries. Under the decision, the state administration has been cut by 46.5 percent.

Instead of the hitherto 10,162 employees in Serbia's state administration, 5,443 will be employed, the information ministry reported today.

As of the beginning of next week, the Serbian ministries will function according to jobs which were systematized today—many funds and communities have ceased work and their functions have been taken over by competent ministries. For example, the number of employees in the ministry of labour, veterans and social questions will be cut by 78 percent.

Apart from the cuts, measures have been undertaken to improve the efficiency of the administration: stress on young and expert staff. In future, not a single new job can be opened in the state administration before the government adopts a decision to do so.

The government reviewed during today's session the basis of the new policy for villages and agriculture. A program for the revitilization of villages has been adopted which includes many investments in this area.

The Serbian Government passed today several regulations for regulating transactions in bills of exchange, buying and selling of cash foreign exchange, allocating foreign exchange reserves and supervision of foreign trade contracts.

The aim is to prevent speculations and incursions into the financial integrity of the Republic by bringing in dinars from those Republics which have abandoned or intend to abandon the financial system of Yugoslavia. For this reason Yugoslavs and foreigners have been prohibited from bringing in from abroad and taking out of the country more than 15,000 dinars and this amount only in 1,000-dinar bills.

Slovenia

CSFR's Dienstbier Signs Relations Protocol

LD0602042292 Belgrade TANJUG in English 1744 GMT 5 Feb 92

[Text] Ljubljana, Feb 5 (TANJUG)—Foreign Minister of the secessionist Yugoslav Republic of Slovenia Dr Dimitrij Rupel and Czechoslovak Foreign Minister Jiri Dienstbier signed the document on the establishment of diplomatic relations between Slovenia and Czechoslovakia in the Slovene capital of Ljubljana today.

Dienstbier, who is on a one-day visit to Slovenia, has discussed with highest Slovene officials the further expansion of the mutual cooperation. Minister Dienstbier will be received by Slovene President Milan Kucan, as reported.

Slovenia was recognized by the European Community on January 15, and by Czechoslovakia a day later, on January 16.

[Prague Federal 1 Television Network in Czech at 1830 GMT on 5 February adds in a similar report: "The major part of the Czechoslovak foreign minister's visit to Slovenia was devoted to talks with Dimitrij Rupel. They discussed four main topics: bilateral relations between Slovenia and the CSFR, Slovenia's relation to the CSCE, the Hexagonale, and the former Yugoslavia. Both republics should sign a trade agreement and an agreement on protecting investments and double taxation in the coming days. Both sides will respect the agreements concluded between the SFRY and the CSFR before 25 June 1991—that is, before Slovenia declared independence. Czechoslovak Foreign Minister Jiri Dienstbier also met Slovenian Prime Minister Lojze Peterle and Slovenian President Milan Kucan."]

Trade Minister Linked to 'Slovenegate,' Fired

LD0502170892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1602 GMT 5 Feb 92

[Text] Ljubljana, 5 Feb (TANJUG)—At the proposal of Premier Lojze Peterle, the Slovene Assembly today replaced Trade Minister Maks Bastl.

The replacement of Bastl is directly linked with the as yet unresolved scandal known as "Slovenegate," involving over 40 million Swiss francs in transactions which several Slovene firms allegedly had with a "certain Belgrade bank" "and Swiss financial quarters," transactions which proved to have a damaging effect on the firms in Slovenia.

During the Assembly Appointments Commission session, Premier Peterle claimed that there are good prospects of all the money "coming back to Slovenia."

Kreko Nuclear Plant Operations Stopped

LD0502223492 Belgrade TANJUG in English 2030 GMT 5 Feb 92

[Text] Ljubljana, February 5 (TANJUG)—Yugoslavia's only nuclear power plant, "Kreko", was forced to stop operation on Wednesday around 3 p.m. because steam was noticed begin let out on the high-pressure turbine.

The Slovene electrical company has announced that the breakdown would be repaired, according to estimates, within 48 hours. Slovenia will make up for the shortage of some 7.2 million kilowatt-hours of electricity by making operational the gas/steam power plants at Brestanica and Trbovlje, imports and reductions to big spenders.

"Krsko" was built jointly on the border with the secessionist Yugoslav Republics of Slovenia and Croatia. In the recent weeks an increasing dissatisfaction of Slovenes was evident over the nuclear power plant so that Republic's leadership announced a referendum for June this year. Croatia, faced with an energy crisis, was demanding compensation or electricity supply from Slovenia.

Power Cuts Expected

AU0602094192 Belgrade Radio Beograd Network in Serbo-Croatian 0900 GMT 6 Feb 92

[Text] Level six limitation on the consumption of electricity was introduced in Slovenia this morning. Thus, half of all households and enterprises like metalworks and other large users will be without electricity today for two periods lasting four hours each, according to the system of odd and even numbers. The reason for this is damage in the Krsko nuclear power plant which stopped functioning at 1500 [1400 GMT] yesterday.

Despite thermo-electric power plants switching to crude oil, Slovenia lacks 2.5 million kilowatt-hours out of a total of 7.5 million kilowatt-hours of electricity required every day. The import of electricity except in small quantities is out of the question because Slovenia does not have foreign currency.

Bavcar Rejects Forfeiting Serbian Markets

LD0602071492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1051 GMT 5 Feb 92

[Text] Ljubljana, 5 Feb (TANJUG)—Igor Bavcar, Slovenian internal affairs minister and Democratic Party chairman, says that it would not be prudent for Slovenia to give up its markets in Serbia, Ljubljana DNEVNIK reports. "We know this market, we enjoy some advantages, and we have contacts there," Bavcar said. "I am sorry," Bavcar said, "that Serbia's reply was entirely political and that it is not pragmatic enough because if nothing else we at least have considerable chances of trading reciprocally," the Ljubljana paper quotes the Slovenian minister as saying.

Serbian Business Dealings Criticized

92BA0396A Ljubljana DELO in Slovene 10 Jan 92 p 3

[Article by Darja Verbic: "Serbia Will Not Particularly Recover Through Marks From Slovene Truckers"—first paragraph is DELO introduction]

[Text] Truckers are driving to Serbia more infrequently because of the introduction of additional insurance payments in the amount of 540 marks; crude insinuations and lies ever since 1989; there have been no retaliatory Slovene measures.

Ljubljana, 9 January—Serbia says that it has instituted additional insurance in the amount of 540 German marks [DM] for vehicles with Slovene registration upon entry into Serbian territory, as a retaliatory measure for the taxes that truck drivers from Serbia have to pay in our republic.

To be sure, this is only one among a myriad of Serbian measures that Serbia has adopted in order to show its (un)friendliness to its northern neighbors, which virtually the whole world is already familiar with. If we are not to go back too far, then memories of the end of 1989 are still fresh. The Presidency of the Serbian SAWP [Socialist Alliance of Working People], which was still functioning then, called for severing (economic) relations with Slovenia. This was a serious blow to the Slovene economy. Or was it the first serious warning of a different type of behavior? It turned out that certain branches of the Slovene economy,

especially certain business systems, blindly believing in the unified Yugoslav market and the lawfulness of our state, had extended their business throughout Yugoslavia, and of course to Serbia as well, and thus did irreparable harm to themselves. In the practice of the modern world, which is integrating more and more, a simple rule applies: One should trade briskly, and not cut off an economic flow that has already dwindled. The announced Serbian blockade, along with everything bad that it brought, was also a serious inducement for more rapid restructuring of the Slovene economy and its withdrawal from a risky area.

The Serbian economic blockade took place at a time when Slovenia's unsettled claims against Serbian enterprises and economic organizations for goods that had been delivered and services that had been performed amounted to DM10 billion at the exchange rate then in effect; Slovenia owed Serbia, for example, three times less.

Why Were There No Retaliatory Slovene Measures?

The Assembly delegates thought then that there was no sense in adopting retaliatory measures in haste, since unilateral measures could not remain without consequences for the one who adopted them. At that time, we were still convinced that the Serbs would realize that the more that economic blockades affected the Slovene economy, the less money there would be for the federal budget and for the less developed lands of the former Yugoslavia.

What a mistake! Serbia continued its actions. The year 1990 began with Serbia's raid on the monetary system; the Serbs still have not returned what they took then from the joint Yugoslav monetary system, and they never will. Then, at least for the sake of illustration, one should also mention the Serbian law that tried to introduce special taxes for enterprises from Slovenia and Croatia; these were to be taxes on business premises, signs, land, warehouses, and imported goods. Even then, we in Slovenia decided that we would not adopt any sort of retaliatory measures.

Serbian Insinuations and Lies

The Serbs particularly revealed themselves last year. The fact that they deliberately tried to diminish the significance of everything that was happening in Slovenia is something normal. They still did not have the right information, or did not want to have it, and consequently they clung to the most diverse half-truths and lies. They accused Slovenia of unheard-of selfishness with its sudden monetary independence, and they reproached it for dishonest dealings in the foreign exchange black market. Among other things, one could also hear from Serbian sources that Slovene bankers had kept 20 billion dinars in their safes, which they were trying to put into Serbia through their dealers in the field. In this way they would destroy that republic's monetary sovereignty, and put inflation into the phase designated as hyperinflation. At that time Serbian sources were spreading the news that Slovenes with bags full of money were visiting Serbian cities with a developed black market. The Federal Executive Council assigned the Federal Secretariat for Internal Affairs to coordinate action to uncover the channels for the illegal sale of foreign exchange, in cooperation with republic authorities.

Unreasonable Persistence of Slovene Enterprises in the Serbian Market

As of 7 October 1991, Serbia cut off all mutual payments for goods and services with Slovenia. Financial flows had already been broken off before that date (by the war); our enterprises were encountering brigand-like behavior and also payment. The only possibility that remained was to conclude barter deals—a return to the Stone Age. An end to the chaos that ensued still cannot be seen; in talks at the end of last year, Serbia insisted that it could only still deal with Slovenia in convertible means of payment. There was a sort of tacit agreement in effect that there would not be any economic agreements as long as there were no political ones. Slovene Finance Minister Dusan Sesok, who was constantly beset, said that he "personally criticized" our economy because in two years of systematic harassment, blockades, and discrimination, it had only reduced the volume of its business with the rest of the former Yugoslavia by 1 percent. We still shipped 43 percent more goods to our "friends" in the south than we bought from them; we paid them 82 percent, and they only paid us 71 percent.

Slovenia is thus still a foolish partner in the "economic war."

Confiscation of Slovene Enterprises

At the same time as the blockade on payment transactions, the Serbs, in their official gazette, published a decision banning the sale of certain products. Thus, no socially owned or private enterprise can sell other republics wheat, flour, noodles, canned fruit, vegetables, livestock, meat and meat products, poultry, eggs, milk, sugar, coffee, spices, wine, spirits, etc. The next day they also adopted another special decree, according to which Serbian socially owned and private enterprises can sell goods or perform services for enterprises from Slovenia only if the good or the service is paid for in advance in convertible currency. Goods from Slovenia and Croatia can only be sold on the territory of Serbia if special compensation is paid before this. In the meantime, while Serbia was still confiscating Slovene enterprises and their branch offices on Serbian territory, the National Bank of Yugoslavia "casually" also sent banks throughout the world a demand that they not execute payment orders from Slovene banks without its consent. Naturally, it did not notify the Bank of Slovenia about this, and thus this was just one more provocation. They justified this by saying that they thus wanted to ensure the regular settlement of our state's foreign exchange debts abroad. The Slovene side responded by immediately informing the foreign banks that our banks were regularly meeting their obligations abroad and also to the National Bank of Yugoslavia.

Threats to Slovenes at the Borders

The Serbs, to round out their greatest feats, have also revealed themselves at their borders. Their numerous insults and thorough inspections still did not amount to

much in comparison with the specific threats that Slovenes at their borders would be forcibly mobilized into reserve units and sent to the Vukovar front. Now, a new provision is awaiting drivers: the payment of additional insurance in the amount of DM540. Serbia introduced this measure unilaterally, and without prior notification, and consequently columns of vehicles are already said to be accumulating on its borders, since the Slovene drivers do not have enough funds to meet this obligation.

From all indications, Serbia will not exactly "recover" in particular by means of the "Slovene marks."

[Box, p 3]

It is interesting that representatives of Slovenia and Serbia have met and talked several times, but the results of the talks have been more or less nil. Serbia has advocated the position throughout that it is only adopting "protective" measures, because the Slovenes are annulling federal laws and not making payments to the federal fund for the underdeveloped areas.

Peterle Replaces Market Minister Bastl

92BA0433A Ljubljana DELO in Slovene
23 Jan 92 p 2

[Article by Vinko Vasle: "The Slovene Scandal Has Caused the Replacement of the Minister for the Market: Why Minister Bastl Had To Leave"—first paragraph is DELO introduction]

[Text] The Slovin financial transaction, in which enterprises and the commodity reserves were also involved, will cost Slovenia approximately 1.8 billion tolars; the scandal is not over yet, and high commissions are also being spoken of.

Ljubljana, 22 Jan—After yesterday's talk with Minister for the Market Maks Bastl, Prime Minister Lojze Peterle decided that he would replace the minister because of the Slovin scandal. This is already the third publicly very controversial minister in the present government who will have to abandon his position to someone else. As we know, the government has already been left by Dr. Katja Boh, and Minister of Culture Dr. Andrej Capuder will also leave soon. Although Lojze Peterle would also like to make several other replacements, he thinks that his "hands are tied" for any other changes, and consequently he does not foresee replacements in the future.

Maks Bastl was one of the protagonists in the scandal, which has cost Slovenia about 1.8 billion tolars. Specifically, with money from the commodity reserves (according to some reports, part of the money also came from the primary issuance), he participated in the notorious Slovin financial transaction with Jugobanka, and also through the Belgrade enterprise Coblex. In that way the enterprises involved and the commodity reserves wanted to obtain foreign exchange to supply the Slovene market with several foods of which there has been a shortage. The speculation failed, however, when a special decision by the Serbian government banned the sale of import rights and foreign exchange to Slovene and Croatian enterprises.

It is more than obvious that from the very beginning this was a highly risky business, since it was all happening at a time when commodity flows between Slovenia and the southern republics had been completely interrupted, and when Slovene enterprises and agencies in Serbia were being confiscated. At that time, Minister Bastl must already have known that Serbian enterprises owed Slovene ones a full 13 billion tolars.

When the scandal came to light, Lojze Peterle demanded a written explanation from Minister Bastl. On 9 January, the minister delivered it to him, and, among other things, wrote, "Since in the last three months it was not possible to expect more favorable trends with respect to the possibility of obtaining foreign exchange to secure the necessary amounts, especially of basic foods, we accepted an offer from the Slovin business system in Ljubljana for the purchase of foreign exchange. On the basis of the firm guarantee provided (author's note: all the guarantees were only verbal) that the anticipated arrangement was not risky, contracts were concluded on 11 September and 2 October 1991 among the Ministry of Trade, the Republic Directorate for Commodity Reserves, and the Slovin business system to purchase 990,821,657.60 dinars in letters of credit in order to carry out 60 percent of the imports that had been determined to be necessary until the end of 1991."

Among other things, Bastl assured Peterle that the contracts were also insured by appropriate payment instruments and accepted orders, and the purchase of the necessary foreign exchange funds was done using the funds of the Republic Directorate for Commodity Reserves. Bastl obviously overlooked the fact that the financial transaction was insured by a foreign firm with its headquarters in Milan that had an extremely suspicious reputation in European business circles, and only employed one person.

The Slovin scandal is obviously not yet over with the recall and replacement of Minister Bastl. We learned unofficially that "things are very suspicious," although—as stated a while ago by Bogo Brvar, the deputy republic police minister, criminal investigators are following the affair, but have not yet become actively involved in it, because the suspicion that a crime or several crimes were committed has not yet been confirmed.